

MESSAGES FROM FAR AND NEAR

BUFF HOUSE,
ALDWYCH LONDON, W. C. 2,
8th March, 1933.

For some considerable time I have been reading your Review and I am glad to congratulate you on the completion of its third year of existence.

Your work is very largely educational and therefore must at times appear critical of existing conditions and as such one might have expected opposition. It must be a source of extreme gratification to you and to other believers in sound business management that you have completed your third year and shown increased circulation and appeal to the public. It must also be gratifying to you to note the increasing merit of the contributions which you receive, both from the point of view of the subjects and authors.

You have my very best personal wishes for the conduct of your campaign for better Indian Life Assurance and particularly towards the accumulation of adequate reserves which will enable the policyholders to feel the utmost security.

Sd. H. P. CLAY
(Manager, Actuarial Section, Metropolitan Life
Insurance Company of New York)

SENATE HOUSE, CALCUTTA
February 18, 1933.

I am glad that the *Insurance and Finance Review* will soon enter upon the fourth year of its existence. There was a real need for a journal dealing with questions relating to industries, banking, and insurance of India, and the conductors of this journal have rendered service to the cause of the trade and industry of the country by keeping it alive for the last few years. I hope the journal will be edited with ability and care so that it may help the economic progress of the country.

I wish every success to this journal.

Sd. P. N. BANERJEE
(Minto Professor of Economics, and President,
Council of Post-Graduate Teaching in Arts,
University of Calcutta)

ORIENTAL BUILDING, BOMBAY
25th February, 1933.

I have been very well impressed by the high quality of the articles appearing in the *Insurance and Finance Review* and I hope it will continue to do very useful work in educating the public on matters relating to Insurance and Finance for several years as it has been doing in the past.

Sd. L. S. VAIDYANATHAN, M. A., F. I. A.
(Actuary to the Oriental Government
Security Life Assurance Company Ltd.)

6A, SURENDRANATH BANERJEE ROAD,
CALCUTTA
28th February, 1933.

I have always looked upon insurance as a public service and I believe how magnificently it has contributed to the building up of national well-being. I feel proud of the leadership which life offices are displaying in these times when turmoil, uncertainty and lack of positiveness in action everywhere prevails. From a negligible influence at the turn of the century, life insurance stands to-day a dominant force in the economic life of our nation. At no time in the history of life insurance have so many people been made aware of the need and the benefits to be derived from it. In the minds of millions of my countrymen has been burned the fact that life insurance is an absolute necessity.

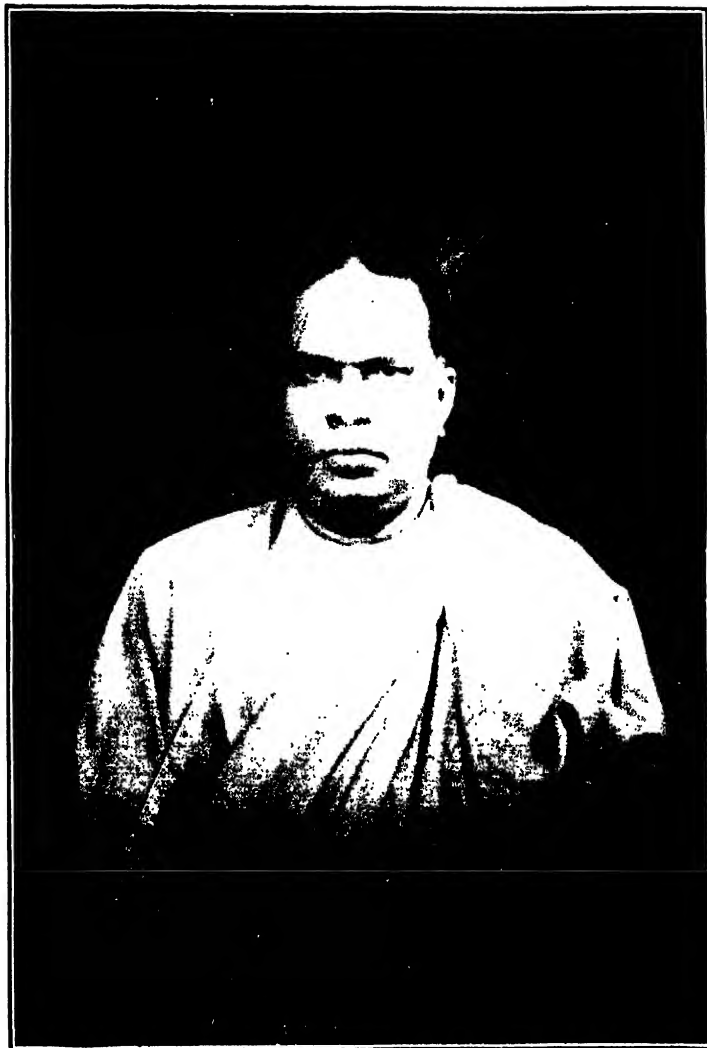
Economic conditions have damned up the desires of millions of people, and I feel confident bettered economic conditions will open the floodgates and the demand for life insurance will be greater than ever before. I am sure that when that time comes life insurance man will be the man of the hour.

Between the insurance industry and the public it serves, there is a gap to be bridged. I have observed that in every instance where discussion on insurance reaches the public press, a complete lack of understanding of insurance fundamentals on the part of the man in the street is evidenced. The reaction may prove to the detriment of the insurance interests and of the insurance consciousness which is as yet nascent in our country. The crying need of the hour is to so educate the general opinion that the insurance business can be sold institutionally to the public. It is fallacious philosophy to build up a wall of mystery around insurance. The public which is served must be taken into confidence. Life insurance, proud of its achievement in maintaining its stability and performing its achievement in maintaining its stability and performing its every function in the face of disheartening forces, must be constantly alert to guard its frontiers against all insidious and invidious attacks.

I have been glad to find the *Insurance and Finance Review* pursuing this policy ; and I hope, it will not everlook any effort that will present to the Indian public a true picture of the requirements of sound insurance protection, and the undeniable claim of Indian life offices on its support, sympathy and co-operation.

I congratulate you on the success of your journal and I wish you increasing usefulness and prosperity.

Sd. NALINI RANJAN SARKER
(President, Bengal National Chamber of
Commerce, Calcutta)



Nalini Ranjan Sarker

10A GOPAL GHOSE LANE, CALCUTTA.

12th March, 1933.

The Insurance and Finance Review has struck a new line in Indian journalism which is full of immense possibilities for the good of the country. Now that India is coming to the forefront in international finance, when she is being pumped dry of her agelong savings to restore the financial stability of western nations, when an era of intensive reconstruction must be undertaken if India is to come by her own in the financial world, the *Insurance and Finance Review* promises to be a national institution of supreme importance. The services it has been rendering with such ability and distinction cannot be over-estimated. The quality of the articles, the printing and get-up and the high level of general efficiency attained by the journal are deserving of the highest congratulation. My best wishes for its long and continued success.

Sd. SANTOSH KUMAR BASU
(Ex-Deputy Mayor, Corporation
of Calcutta)

ALSENSTRASSE 137
BERLIN-Zehlendorf

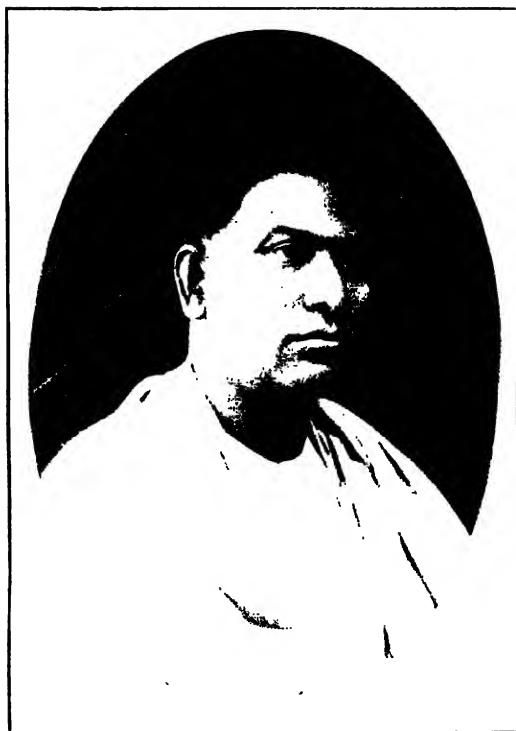
March 15, 1933.

In my individual capacity and as President of the *Deutsch-Indische Gesellschaft* (Indo-German Association), I wish the *Insurance and Finance Review* a further career of usefulness and success. This Review deserves to be highly congratulated on having such a resourceful and competent Editor as Dr. S. C. Roy, who brings to bear on its conduct not only a just appreciation of insurance and financial problems as they present themselves in India, but also seeks to enlarge its scope and enrich its contents by inviting contributions from competent observers in Europe and America. This makes a comparative estimate possible and encourages indigenous effort in the light of success gained elsewhere.

The development of banking and insurance may properly be called the economic foundations of Swaraj, and the Review by the stimulation of interest, among other things, in industry and finance has made people realise that these foundations must be well and truly laid. As political life is made impossible by ordinances and restrictions of popular liberty, so the economic and industrial growth of a struggling nation has been obstructed by the superior organisation of the banking, shipping, and financial interests of those who to-day control the situation. The only way out of this impasse is the quickening and deepening of interest in concrete economic and financial issues, and in the steady building up of a sound system of national banking and insurance, which provides the golden key to successful development alike in the spheres of industry and agriculture.

May Dr. Roy be long spared to carry on his work he has so well begun.

Sd. DEVENDRA NATH BANERJEE
(President of the Indo-German Association, Berlin)



Santosh Kumar Basu

BANGIYA DHANA-VIJNAN PARISHAT
9, PANCHANAN GHOSE LANE, CALCUTTA

March 1, 1933.

It is with pleasure that I have been noticing the gradual transformation of the *Insurance and Finance Review* into an economic journal of a more or less all-round character. The sections given specially over to insurance have at the same time grown more and more practical. Eminently instructive to insurance men as well as economists are the news letters on insurance progress in Europe.

Sd. BENOY KUMAR SARKAR
[Founder-President,
Bangiya Dhana Vijnan Parishat
(Bengali Institute of Economics)]

JEHANGIR WADIA BUILDING,
ESPLANADE ROAD, FORT,
BOMBAY

9th March, 1933.

I am extremely glad to note that the *Insurance and Finance Review* has completed its Third Year and has entered the Fourth Year of its useful existence.

The Indian public in general and the Insurance public in particular must feel grateful to this Review for its consistent support of Swadeshi in Insurance.

Our country can supply the fullest possible needs in 'Life Insurance.' It should, therefore, be considered a sin against our country if any countryman of ours purchases Life Insurance from a non-Indian company.

Sd. K. C. DESAI
(President,
Indian Life Assurance
Offices Association)

115, GOWER STREET, LONDON, W. C. 1.
March 3rd, 1933.

Upon the occasion of its third anniversary, I would like to take this opportunity of expressing my appreciation of the *Insurance and Finance Review*.

Each monthly publication contains a wide and very comprehensive review, not only of such subjects as Insurance, Banking, Economics connected with India alone, but of the world generally, and consequently the "Review" is of considerable interest to many Europeans and others.

The published articles are sound and constructive, obviously the work of writers, who have made a thorough study and possess a sound practical knowledge of their subject.

I look forward with interest to the continued progress of the "Review," knowing that the success it has and will achieve in the future, is purely the result of well earned merit.

Sd. A. E. PARTINGTON, F.C.C.S., F. R. ECON.
(Secretary, The St. James's and Regents Park
Building Societies)



Benoy Kumar Sarkar



K. C. Desai

AFRICA HOUSE, KNIGSWAY, LONDON, W. C. 2

3rd March, 1933.

As *The Insurance and Finance Review* is now entering upon its fourth year of publication it is opportune to tender compliments and cordial good wishes.

An intelligent and impartial insurance press is a valuable asset to any great country. In India in particular the insurance press has great scope for fostering the mutual good will and tolerance which are in the best interests both of India and the Mother Country ; encouraging on judicious lines the legitimate aspirations of Indian Companies, without shirking the duty of criticising obvious weaknesses, and, of course, without encouraging any narrow-minded discrimination against Companies (British or Foreign) whose Head Offices are established outside of India.

Because I have not at all times seen eye to eye with your editorial views (which in my opinion have occasionally been inimical both to the best interests of your journal and to those of India in general), I can all this more sincerely congratulate you upon the production of a paper WHICH RANKS FIRST AMONGST INDIAN INSURANCE PUBLICATIONS.

Sd. FREDERICK WILLIAMS, A.C.I.S., F.R.E.S., F.R.G.S.

(Managing Editor, *The Policy*, Published by
Messrs. Stone and Cox Ltd., London.)

7, GRACE CHURCH STREET
LONDON, E. C. 3.

6 March, 1933.

I congratulate you upon your Review, and hope that you will continue the work of educating the public of India in matters of Finance and Insurance, which you have been carrying on now for three years.

Sd. A. BAIRD MURRAY

(Director, *Sidgwick Collins & Co., Ltd.*)

CENTRAL BANK BUILDING, BOMBAY

20th February, 1933.

I have pleasure in placing on record on the occasion of the issue of the Third Anniversary Number of the *Insurance and Finance Review* my congratulations to all those responsible for your Journal's ever growing success and my warm wishes for still greater achievements in the future.

Sd. W. MILLARD

(Sub-Manager, *New India Assurance Company Ltd.*)

THE INSURANCE AND FINANCE REVIEW

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Editorial

Ourselves

Celebrating the birthday is an established institution of the world. It keeps alive the link with one's past as well as enables one to draw a moral for the future. May be, one becomes just a little vociferous on such occasions, and these lines are the result of such a tendency on the occasion of entering upon the fourth year of our eventful existence. Three years ago, when *The Insurance and Finance Review* was started with the mission and motto of the economic salvation of India, little did we know about the uphill journey ahead of us or about the trials and travails of an undisclosed path. Little did we know that the *Review* would command such popularity and attract such clientele as we watch it doing now at the close of the triennium. It is a great pleasure to note here that in the vast and uncharted vista of uncertainty

and doubt, we have been able to chalk out a path of our own, to find out a goal to attain and to draw the inspiration and sympathy of our countrymen for guidance. In the sunshine of today let us forget 'the unborn tomorrow and the dead yesterday.'

Our friends and supporters have wished us "many a happy return." How grateful are we to them! How largely the credit and popularity that our *Review* commands today is due to the ungrudging support and sympathetic assistance of our readers, subscribers, advertisers and supporters. We pride ourselves in them, for, whenever we have been in need of their co-operation and help, they have extended to us more than actually what we deserved. They have indeed realised the spirit of service and common interest which binds us in an inseparable bond. We would only thankfully look forward in future

to their lending increasing support to a cause for which we stand and which they have at heart.

It will have been noticed that in the beginning of the third year of our life, we extended our operations to a considerable extent. We published the first part of *The Insurance and Finance Year-Book and Directory*, which received a warm welcome and high appreciation from all quarters. The second edition of the Year-Book which has been thoroughly revised and made most up-to-date will be published simultaneously with this issue.

We enlarged the size of our journal from the middle of the year owing to increasing pressure on space in respect of important matters that call forth attention. Our readers have been unanimous in their appreciation of the various features introduced during the year and specially the Reports on European Insurance from Mr. August Jaap, the well-known Berlin journalist and financier, published uninterruptedly from August, 1932. We have been assured that whatever little contribution we have been able to make towards the cause of indigenous industries trade and insurance, our efforts have engendered a healthy tone in the financial and particularly insurance journalism of the country. If we have been so, it would certainly compensate and justify all the energy and labour we have devoted to it.

Encouraged by these happy auguries, we

are going to state our new year purpose. We have decided to publish a Financial Monthly in vernacular (Bengali) in order to educate the public on economics and finance beginning from the Bengali New Year (April). We have realised that with the increasing popularity of commercial undertakings in the country and with an increasing demand for financial literature, the journals published in English cannot reach all sections of the lay public. It will be our purpose in the new paper to bring the experiences of tried economists and businessmen to bear on the enlightenment of public mind in respect of finance, banking and insurance. Details of this magazine are given in the advertisement pages of this issue. We have also a mind to bring out the second part of our Year-Book and Directory which would be entirely in the nature of a financial annual and investors' guide. We have not decided the exact time for its publication.

We are, if anything, optimists. We make bold to say that we would prefer a glorious death to an ignominious life, and with the motto and ideal of serving our motherland, with honesty of purpose and faith in God, we would plunge headlong into the undiscovered march of time till doomsday if there be any. Amen!

The Central Budget

Our budgets have lost the usual sensation and have hindered all speculation due to the

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most threadbare and hackneyed way in which they are manipulated now-a-days. The history of the Budget of the Government of India for the last three or four years shows amply how merely the permutation and combination of several items on both sides of the Budget paper serves the purpose of the system of our public finance. Sir George Schuster, Finance Member of the Government of India, is a master juggler, and has spared no rhetoric in his Budget Speech to convince us about the soundness of India's financial position. He has taken credit for the successful working of his plan of September, 1931, which, according to him, has been responsible for the expected surplus of Rs. 217 lakhs for the year 1932-33 against the budget forecast of 215 lakhs. He also hopes that the next year, 1933-34, will yield a surplus of 42 lakhs even after providing for the restoration of the half of the salary cut. The increased credit of Indian Finance and cheap money conditions in the market are also some grounds on which Sir George has based his thesis.

In spite of Sir George Schuster's rejoicings over this year's budget, we cannot be blind to the depressing and almost killing economic condition of the country, the hapless fate of cultivators, the starving industrial labourers and the unemployed thousands of middle class people. The abnormally low prices of staple goods and agricultural products, the increasing imports and the all-pervading misery of the masses stand out in bold relief against the

rosy landscape drawn by Sir George Schuster, who has also mentioned it in the course of his speech, "world economic conditions have been the over-riding factor, and that India's trade and purchasing power have been suffering from the terribly low levels to which prices and demand for commodities have declined." The general level of prices stands still at a very low level and our export trade has declined to a very great extent, specially in respect of jute, and cotton. Although tea shows some increase in the exported quantity, there is a considerable fall in value.

The Budget has disappointed particularly those who anticipated, a reduction of the heavy taxes, surtaxes and duties that were put into operation in September, 1931. The heavy postal rates have remained unchanged. Sir George Schuster's optimism regarding the successful working of his 1931 scheme is very illusory, since his inability to repeal the emergency taxes except in regard to the salary cut has proved that the emergency still exists and is not yet over. But this partial abatement will not benefit the masses to any extent whatsoever. This restoration will only please a very minute section of the people, those in the services of the Government.

The Finance Member has tried to point out with reference to an increased consumption of kerosene and salt that the standard of living of the masses has improved. This basis of judgment seems to us to be too puerile, for, an increase in the consumption of these com-

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modities which are mostly in the nature of necessities with minimum elasticity to reduction can be explained by the comparative fall in prices of those commodities. It is quite probable that with a fall in price of these goods, the cultivator or the workingman was tempted to consume a few more units of such necessities deferring the payment of their other dues, such as rent, land revenue and similar taxes. Besides, the amount of these articles consumed during 1932 does not come up to the figures of 1920-21, although there has been a slight increase in the consumption in 1932. Moreover, it would not be required of us to acquaint the Finance Department of the Government of India with the large number of estates that are from day to day being auctioned for sale on account of their inability to pay the respective revenues. Thus the fact cannot be denied that there has been a persistent fall in the income of the people and a menacing depreciation of their purchasing power.

Sir George Schuster has taken credit for the virtual reduction in the Civil and Army expenditure during the year. Calculating these figures from the stand-point of the price-level and index number, it can be conclusively proved that the Civil and Military Officers had not in the least been involved in any sacrifice.

Regarding the imposition of stamp duty on cheques we would say a word. Such a duty, in the first place, would restrict the

banking habit of the people, now developing rapidly, and would cause a set-back to the growth of industries which the banks finance. In the second place, this would lead to a contraction in the volume of trade, both export and import. Thirdly and finally, a reduced import trade would yield a smaller customs revenue than is estimated, and may ultimately far off-set the estimated receipts of stamp revenue on cheques. Thus, it appears to us that the Government would be well advised not to impose this duty on cheques. In case the duty is imposed, more popularity is expected to be attached to the Post Office Savings Banks where this additional expenditure will not be called for.

It, therefore, rests upon Sir George Schuster or his successor in the position of the Finance Member, to prove that the efforts of the Government of India towards the economic regeneration of the country were really taken up and had borne some results as well. Otherwise, however their methods are professed to be well-intentioned, they will not carry conviction to the minds of the public who are groaning under the burdens of heavy taxation and economic *mishaise*. That is the only criterion to be applied in the estimation of an well-meant budget.

The Bengal Budget

There is nothing unnatural or particularly touching about the speech of the Finance Member of Bengal which he delivered on introducing the Budget to the Legislative

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Council. The same tale of depressing economic conditions, the fall in the price of jute, and purchasing power of the people, the difficulty caused by anarchism and Civil Disobedience and similar excuses have characterised the Bengal Budget for the last few years. Such stereotyped explanations have wearied the student of Indian finance. The current year is expected to close with a deficit of nearly one crore and a half while a budgetary deficit of about two crores has been anticipated for the ensuing year. These estimates, however, would have told a sadder tale but for a windfall under Stamps on account of probate duty. The deficit for the current year has also been much reduced by the accruing of additional revenue of 12 lakhs of rupees under Stamps and heavier collections under the Motor Vehicles Tax Act and the withholding of the balance of the amounts received from the Central Road Development Fund.

Undoubtedly, the financial administration of Bengal under the Meston Settlement has been much responsible for the dwindling revenues of the province and a cause of grave injustice as well. But more than any single factor, the top-heavy administration is responsible for the panicky state of the finances of the province. We would not put forward the hackneyed arguments regarding the question whether there is any further scope for retrenchment without impairing the efficiency of administration,

but the fact cannot be denied that the nation-building departments have been famished in an arbitrary manner, and the army and police have been fattened at the cost of agriculture, industries, health and education. The huge amounts of money, nearly 22 lacs of rupees, that have been spent in order to suppress the Civil Disobedience movement and the alleged terrorism in the province have starved the population ruthlessly. This has given rise to a vicious circle. Unless the trade and industry of a country are allowed to develop on national lines, no profit can accrue to them and consequently revenues to be derived from them by the Government fall far short of them estimate. This mutual deterioration of trade and revenue has perpetuated a deficit budget for Bengal. Moreover, expenditure on the head of suppression of terroristic activities in the province has been estimated at about 51 crores of rupees in the year 1933-34. This shows the actual position of our finances today.

The trade depression has merely aggravated the situation, but the inherent drawbacks of the financial arrangements under the present administration have pumped Bengal dry of her entire wealth. The Third Round Table Conference have admitted these drawbacks in the financial system and have suggested an equitable distribution of income-tax revenue as between provinces and have allocated the entire jute export duty to

Bengal. The only hope which this unfortunate and damned province may cherish is the appropriation of this jute export duty which had hitherto been going to the Central Exchequer.

The Railway Budget.

The budgetary position in our Railways is no better than that in our Central and Provincial governments. Sir Joseph Bhore, the Commerce Member to the Government of India, pointed out in his speech that the deficits would have been much greater but for a thorough plan of economy, and assured the House that a total loss of thirty-one crores of rupees in four years was not really serious. Due to the continued economic depression and as a result of indifferent earnings on goods traffic, the receipts in 1932-33 amounted to 85½ crores. In spite of the increases in rates and fares the receipts are the lowest on record since 1921-22. Working expenses amounting to 49 crores (excluding 13½ crores for depreciation will be about two crores less than those of last year. The loss on commercial lines is expected to be 732 lakhs and that on strategic lines 202 lakhs against 724 lakhs and 196 lakhs respectively, in 1931-32, the total loss being 934 lakhs against 920 in 1931-32. The reserve funds having been completely exhausted during the past few years, the whole of this loss will be met by temporary loan from the depreciation fund, which, after this loan, will stand at 13·68 crores at the end of the year.

The estimates for the coming year, 1933-34, which have been made on very economical basis, show a deficit of 777 lakhs -580 lakhs on commercial lines and 197 lakhs on strategic lines. This deficit also will be met wholly by a further "temporary" loan from the depreciation fund, which, at the end of 1933-34, will, after the loan, stand at 13·71 crores.

The continued slump in railway earnings have emphasised the necessity of reforming the railway policy of the Government. The rates are manipulated directly to the interests of European commerce in this country and are not meant to facilitate in any way the marketing of indigenous products. In order to encourage cheap travelling and movement of goods facilitating trade the Railway authorities would be well advised to modify the railway rates to the advantage of the travelling and commercial people. Marine transport has been offering very great competition with the railways recently, and Mr. A. H. Ghuznavi pointed out in the Assembly that nearly Rs. 15,00,000 worth of railway traffic had been diverted from the railways to marine transport, the latter being the cheaper method. A bold constructive policy is also called for in this respect. Instead of maintaining the rates at a high level, Government should encourage industries by preferential rates thereby increasing the volume of and earnings on goods traffic.

The inability of the railways to make their

both ends meet and to contribute any farthing to the general finances for the last few years, have naturally given rise to suspicion in the minds of the public as to what might be the reasons for this state of affairs. In the past, railways had been paying concerns and contributed substantially to the general finances. The reserves funds have been exhausted, the depreciation funds also are almost dry and there is perhaps a limit to such borrowings every year. The public wonder why even

inspite of the rates being adjusted on commercial lines and therefore very high, the administration should be launched in heavy deficits year after year. We would have at least some consolation if the travelling fares and freights of goods were reasonable. The railway budget has been characterised by gymnastics in accountancy rather than by a broad commercial outlook and efficient administrative capacity.



The Future of Capitalism

BY DR. GEORGE SOLMISSEN

Member of the Board of the Deutsche Bank and Disconto-Gesellschaft.

The author of the following article—who is also Chairman of the Central Federation of German Bankers recently delivered an address to the Institute of Economic Science (University of Frankfurt-on-Main) in which he dealt with the above subject. We are greatly indebted to him for his permission to publish the subjoined extract from his address which, we believe will be of interest to our readers owing to the topical nature of its contents.

—EDITOR

Capital originates from the surplus wealth gained through economic activity; and capitalism is the name given to any system aiming at such surpluses, no matter whether it is based on individual or collective methods of production. Hence, the question before us is not, whether production is to be effected with or without capital, but rather, which is the system best suited to make the use of capital productive.

The war and its amateurish liquidation by the so-called peace treaties led to an abysmal failure to recognize the fact that the relations of the various countries are fundamentally governed by their economic intercourse. Thus, it is politics that have falsified the economic logic of capitalism, and not capitalism, at all. The present crisis has its intellectual origin in the short-sightedness of those who could not—and would not—understand that modern technical progress compels the nations to discover novel methods of mutual collaboration.

If we desire to understand the future of capitalism, we must study its past. Such a study reveals that capitalism has made

modern civilization what it is, and that all technical progress as well as the practical utilization of our scientific knowledge is ultimately rooted in capitalism.

It was not until reparations and war debts arrived on the scene that the system of international credit and international finance started to collapse, the result being an economic crisis of unparalleled severity and an equally unparalleled shortage of employment throughout the world.

The disintegration of international economy thus brought about can only be eliminated again by re-establishing the principle of the world's economic solidarity and by the application of the same methods to which the successful development of pre-war capitalism is attributable. Above all it is necessary to raise the economic co-operation of all countries to a higher level than the present one and to utilize for this purpose the numerous technical improvements available to us. The different nations have to come to an understanding among themselves which must confine itself to the adjustment of the facilities enabling each country to sell its products. It is to be hoped that the forthcoming World Economic Conference will discover means that will lead to this end.

Thus, in its essential aspects, the future of the capitalistic system depends upon the answer given to the question whether the principles of private and individual initiative and responsibility are to be maintained, or

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whether these shall give way to State capitalism and collective responsibility.

It must be remembered in this connection that the capitalistic system is by no means so unsystematic and chaotic a structure as it is described by its opponents.

It is undoubtedly true that the logical development of privately-owned business has been subjected to far reaching interference on the part of the State which, instead of being above the various political groups, has acted in conformity with their wishes whenever an opportunity arose. Such State interference naturally destroyed the innumerable connections that had sprung up on the foundation of the capitalistic regime, and did away with the clear line of demarcation that had always existed between Government administration and private endeavour. Hand in hand with the return of more moral conditions efforts must be made to restore the position as it existed in the past.

Genuine capitalism is unthinkable without personal responsibility and individual initiative subject only to the limits imposed upon it by regard to the welfare of the community as a whole.

If, on the other hand, attempts were made to regulate production from above, one would have to abandon all efforts to produce in accordance with the highly differentiated requirements of each individual. The nations of Western Europe, with their pronounced demand for individuality, would never agree to such a system.

It would serve no useful purpose to allege that the practice of capitalism has always been free from shortcomings, but in spite of them the system has been able to satisfy the needs of civilized mankind to an ever-growing extent. The necessity for remunerative working and the lessons taught by failure—without which there can be no success—always restore a state of equilibrium in the end, provided that this natural development is not constantly upset by the political interference to which I have alluded above. In other words, we are not at all concerned at present with a crisis of capitalism, but with a crisis in the political sphere, the politicians having taken upon themselves far too large a share of economic responsibility.

One thing however, is absolutely indispensable if capitalism is to retain its position in the future—that is to say, it must adapt itself to the altered conditions. Capitalistic enterprise has so much outgrown the scope of its private interests and its success or non-success exercises so material an effect upon the welfare of the commonwealth that the administration of the large privately-operated undertakings must be carried on in harmony with the rightful demands of the great mass of the people. The State, on the other hand, must refrain from enacting any legislation which would tend to act as a brake upon legitimate private enterprise and to deprive it of its freedom of movement,

The World Economic Conference

BY DR. RAMACHANDRA RAU, M. A., L.T., PH.D.

Department of Economics, Calcutta University

AT LONG LAST

The appointed date (winter 1932 Oct-Nov.) has almost come and gone. Unlike the Lausanne Conference which was held on the appointed date the meeting of World Economic Conference is being shelved on the ground of political uncertainties and the abnormal delay in arranging the date has been exasperating to all observers of international events. The Preparatory Commission has at last got down to hard facts and has issued the agenda.

POLITICAL UNREALISM

But many of the members are brutally frank in assuring that nothing tangible can arise out of the discussions for an air of political unrealism is still pervading the world atmosphere. Some of the most tendentious rumours have already crept up that American official statements would hardly afford any ground for optimism but it is impolitic to say anything definite from a study of political speeches for the behaviour of international statesmen is always notoriously backward in keeping up to their promises.

THE OBJECTIVE OF THE CONFERENCE

The purpose for which it will be held is to cure the imperfections of international economic organisation. The World Economic Conference has sometimes been rightly referred to as the *World Economic and Monetary Conference*. Undoubtedly it would lead to the most reasoned discussion of monetary

topics. From the new-fangled suggestion of Re-monetisation of Silver for the Eastern countries to the somewhat antiquated one of bimetallism the entire gamut of monetary suggestions would be exhaustively dealt with. The agenda itself aims at the resurrection of a managed gold standard not only as a cure for the economic *malaise* which is imposing undue strains and stresses on the internal and international economy of the world but as a complete fool-proof and knave-proof monetary standard for the world. The possibility of opposition from arm-chair theorists who advocate the immediate necessity of finding a *stable* monetary standard for the world and those who advocate managed paper sterling as an international currency has been unfortunately ignored. They are determined to drive the last nail into the coffin of the gold standard monetary mechanism and when one realises how a policy of controlled inflation or reflation (as modern monetary parlance puts it) has failed in the U. S. A., the future of the international gold standard seems wrapped in obscurity. Banking failure and lack of confidence have engendered the flight of capital and the U.S.A. monetary authorities are straining their best endeavour to prevent the sterling from unduly appreciating in terms of the dollar.

A COMMON MONETARY STANDARD

The monetary future of the world gold standard and the development of a common progressive monetary policy for all countries

THE WORLD ECONOMIC CONFERENCE

from the first and more important aim of the World Economic Conference. How and under what conditions the countries will have to climb back to the gold standard basis would form the basis of their discussion? Though termed an Economic Conference, economic and non-monetary events such as tariffs, exchange restrictions, import regulations, the shrinking of international trade, and producers' agreement form only the secondary item of the discussion.

THE PRESENT ECONOMIC MALAISE

Doubtless superhuman efforts will be made to make the international financial stage conducive enough for a successful functioning of the international gold standard and an attempt will be made to free the choked channels of international trade by eliminating or moderating the tariff walls. But the mere settlement of war-debts thus clearing the financial atmosphere, the resurrection of an improved gold standard and the removal of trade barriers and a planned system of capitalistic production would not by themselves work wonders in this world torn by political dissensions, economic rivalries and trade jealousies. The growing distress arising out of widespread unemployment, a tumultuous fall in gold prices almost to a rock-bottom level (as in the case of wheat prices) a staggering overpilling of agricultural products and industrial output in certain cases of Government owned and worked industries such as coal and timber the hindering of the smooth international flow of goods, increasing currency disorders both in debtor and creditor countries and shrinking national incomes for the individual as well as the different Governments are the salient features of the present-day world disintegration.

FLEETING OUTBURSTS OF OPTIMISM

Recent outbursts of optimism created by slight spurt in prices of securities and commodities have been of too fleeting a character. Unless a stable international monetary standard, technical economic re-adjustment and a complete revival of confidence would take place the reconstruction of the economic world would indeed be a pious wish. Economic reconstruction, economic disarmament, and economic reconciliation are the triple necessities of the economic international world-order. The forthcoming London Conference must indeed guide its deliberations solely on the basis of these planks of reconstruction.

THE CLEARING OF THE FINANCIAL ATMOSPHERE

The financial leadership of the world has distinctly passed over to America and unless it recognises in unequivocal terms the economic impossibility of securing huge war-debts from impoverished Europe there is no hope of the economic crisis being worn away in the near distinct future. A common whirlpool of ruin in which America herself will be entangled will be the direct consequence of the vain ambition of the America legislators to collect their pound of flesh from the borrowers. Current economic facts clearly indicate that the final solution would be in the direction of what "these countries can pay and not what they ought to pay." Even this much of what they can pay can only be collected after a proper and decent period of economic recuperation has been afforded to the countries. Assuming that economic wisdom triumphs in the direction of a satisfactory settlement of the huge political indebtedness what the other measures needed

for economic rehabilitation have to be considered.

MONETARY RECONSTRUCTION

Since Prof. Gustav Cassel pointed out the possibility of working out a resurrected gold standard where all countries play the rules of the gold standard all thinkers presume the certainty of the reinstating of the golden calf on the monetary pedestal. The trump cards are supposed to be held by the U. S. A. and France in particular. The redistribution of gold to debtor countries to open up economic activity is the cardinal basis of this suggestion and it would lead to a better distribution of consumable goods internally as well as internationally.

WHAT OF STERLINGARIA ?

But the real issue hangs on the possible and almost probable determination of Great Britain to expand the "*sterlingaria*" as Sir Basil Blackett has termed it. Apart from the fact that the restoration of even an improved gold standard does not solve the widespread economic depression the realisation of stable international monetary standard seems to be a remote conception indeed. England's representatives would undoubtedly place the following four facts before the World Economic Conference and use them effectively as a bargaining counter. The British Empire can produce and export more gold than it needs to meet its foreign liabilities in terms of gold. Great Britain has frozen investments widely scattered all throughout the world and these can be liquidated by letting "sterling find its own level." Great Britain can secure though temporarily a great premium through a further fall in sterling exchange. The imports of gold-standard world will be enormously curtailed if sterling falls. An international

sterling standard system might be built and other national currencies "pegged to sterling". Such a proposal to make the paper sterling a world-currency system was first made by the Austrian writer Dr. R. Eisler to the Editor of the *London Times* on 22nd Sep. 1931. This step would mean that the unnecessary abandonment of financial hegemony need not arise. The free granting of sterling-exchange credits and rediscount facilities to foreign Central Banks would not only save the present situation but make paper sterling universal currency.

International trade can be easily revived by inconvertible foreign exchange reserves *i. e.*, by inconvertible sterling bills which are however stable in terms of value of commodities. The reform may indeed remove many of the inherent defects of the unregulated gold standard. The draft annotated agenda does not consider this alternative scheme. This suggestion would aim at securing uniform monetary and credit policy in the *sterlingaria*, solve exchange difficulties, secure complete stabilisation of the level of prices and influence same movements of capital within this wide area.

FAILURE OF REFATIONARY EXPERIMENT IN THE U. S. A.

When one considers the difficulties of the belated unscientific refationary policy pursued in the U. S. A. a permanent solvent of the world's monetary problem cannot be secured out of it. Since Mr. Augas recommended a reckless "open market policy" and artificial raising of prices in his book *Inflate or Perish* the American financiers are creating two special bodies namely, a special joint stock bank pool to raise the prices of securities and a "Commodities Finance Organisation".

for raising the price of commodities but the situation has not been bettered in a significant manner. Falling gold prices, bank failures and budget deficits are the order of the day in America.

THE ADVICE OF THE MACMILLAN COMMITTEE

Ever since the Macmillan Committee voiced the absolute necessity of checking the disequilibrium between costs and prices so as to counteract the reasons leading to increasing disaster arising out of unemployment throughout the world it has become fashionable to state that rising prices lead to world recovery. A restoration of financial confidence would once again initiate free capital movements between the debtor and creditor countries. An increase of international trade would lead to export surplus on behalf of debtor countries and their internal economy would receive the much-needed stimulus out of this step. The balancing of the budget will indeed be easily done. Under appropriate safeguards the resumption of foreign capital movements and investments can easily be secured.

DIFFICULTIES OF SYNCHRONISED REFLECTION

It behoves us to realise the actual difficulties attendant on a policy of monetary reflection. Very grave risks attend on this oft-mentioned suggestion to rise world-prices to 1926 or 1928 level by a policy of controlled inflation or reflection as it has been christened. Apart from the fact that there were unemployed people even in 1926 or 1928 boom years the rentiers and the creditor class would suffer gravely. The political effects would be bad if all national banks of all countries do not decide to expand their currencies in the same rhythm and in the same proportion. Un-

disguised inflation *i. e.*, continuously rising price-level when commodities are not increasing cannot be continued for long without detrimental consequences for a continuously rising price-level cannot be maintained for long without embarking on the vicious spiral of inflation. Even productive public work extensions out of bank credit granted to the State will not succeed except as a temporary relief measure. The new money created would not reach the masses of ultimate consumers but "it is injected at the top and not the bottom of the social pyramid". A short-lived bullish tendency might ensue and nothing else would be the result of this policy of "controlled inflation" or reflection as it has been termed. Mere automatic reflection would achieve short-lived and temporary efflux. As Major Douglas admits "the policy of inflation of whatever kind it might be will lead to diminished purchasing power after a certain initial increase." Nothing permanent can be secured until profit rate covers or is higher than the rate of interest paid for bank money by the entrepreneur. The international synchronising of large-scale public and private enterprise is difficult to be achieved in actual practice. International movements of capital would disturb the position and cause fluctuations in exchanges. The resurrection of the gold standard might be brought about but it does not lead to an economy freed from the curse of recurrent crises. Reflection by debtor countries without previous stabilisation of exchanges by all-round pegging arrangement would be a dangerous expedient. Constructive wisdom requires the recognition that permanent economic salvation cannot be attained under the suicidal policy of reflection. It would be better wisdom to organise expansible currency with a monetary

unit having stable purchasing power. Without such a monetary system the progressive rationalisation and mechanisation of industry cannot continue.

NON-MONETARY REMEDIES

Mere monetary remedies will not provide an enduring and effective remedy for the world economic depression and the unemployment problem which weighs so heavily on the world. World reconstruction depends on urgent non-monetary reforms such as improvement in the quantum of world trade. The suicidal policy of all wishing to sell but not to buy would be heading the countries to impending disaster and complete paralysis of international trade might be the direct and inevitable consequence of this selfish policy.

TARIFF BARRIERS

The present-day prohibitory and progressively rising tariffs, import prohibitions and quotas on the part of the debtor country either to limit their further indebtedness or the anxiety to prevent the sabotaging of their industries by foreign competition have to be relaxed. The breaking down of the extensive tariff walls or reducing them to a moderate height is an essential part of the non-monetary programme.

WHAT OF THE 1927 W. E. CONFERENCE

It is usual to state that politicians have a short memory and remembering the failure of the last W. E. Conference to accomplish anything solid in the direction of breaking down tariff walls one can of course be quite

sceptical of the success of any move in this direction. The recent attempt of Central Europe to have a Customs Union only ended in the break-down of the Austrian and German banking systems.

THE GOLD STANDARD IS THE FOSTER-MOTHER OF TARIFFS

The resurrection of the gold standard means the incentive to retain tariff barriers as a protective measure for domestic industries against foreign competition. Sir Basil Blackett has shown vividly that the world tariff mania of the eighties of 19th century was undoubtedly due to the stresses and strains created by the internationalisation of the gold standard. Thus the resurrection of the gold standard might not actually lead to the much desired haven of security for the vessels of the different nations cannot have the necessary automatic steering gear by adopting the proposed agenda of the preparatory commission of the World Economic Conference.

THE SPEEDING UP OF POLITICAL RAPPROCHEMENT

Monetary as well as non-monetary remedies can indeed be efficacious in a peaceful atmosphere. But so long as political turmoil and dissensions lead to further bickerings on the part of the nations and excessive expenditure on armaments their financial solvency and economic prosperity would be unattainable. World economic reconstruction would stand postponed *sine die*.

Road Power for Railways

By DR. NALINAKSHI SANYAL, M. A. (Cal.), PH. D. Econ. (Lond.)

The Indian Railways Act Amendment Bill that is now before the Assembly is directed to permit small companies managing railways in this country under statutory authority of the Indian Legislature to run their own motor services not only for passengers who travel part of the journey on the railways but also for roadside short-distance-travellers.

Considerable amount of misgiving seems to exist in the minds of the public about this proposed legislation, and some of the leading journals have taken a view on this question which, in my humble opinion, can hardly stand scrutiny. I, therefore, feel called upon to examine the question as I have understood it.

Before expressing any judgment on the desirability or otherwise of this power it is necessary to understand the present legal position in the matter. It appears that at present there is nothing in the Railway Act to debar State-managed Railways from this, though they would have to obtain the sanction of the Governor-General in Council and would, in common with all other owners of road motor vehicles, be subject to provincial legislations. Company-managed lines are generally of two classes, *viz.*, those which come under the class of Guaranteed Companies and governed by parliamentary legislation (Statutes 42 and 43 Victoria—Chapter 41) and those which are governed by the Indian Railways Act IX of 1890. With regard to the former group, a guaranteed company may from time to time,

with the sanction of the Secretary of State for India in Council, “provide any means of transport which may be required for the reasonable convenience of *persons or goods carried or to be carried on their railway* but not between any places between which any company shall for the time being be carrying on the business of carriers by water.” With regard to the latter class of Domiciled Companies, Section 51 (c) of the Indian Railway Act provides as follows :

Any railway company not being a company for which these Statutes 42 and 43 Victoria Chapter 41 provide, may from time to time with the sanction of the Governor-General in Council “provide and maintain any means of transport which may be required for reasonable convenience of *passengers, animals or goods carried or to be carried on its railway.*”

It will thus be seen that, in the case of both company-worked lines and of domiciled railway companies, the operation of road motor transport is at present limited to the carriage of passengers and goods that move for part of the journey by the railway and the railway companies cannot run motor bus services on parallel roads and pick up and set down passengers at any point *en route*. It is also feared that such companies are precluded from operating a road motor service where an adequate railway service is already in existence. So far as the State-managed Railways are concerned, there is no such disability under the present law.

The competition of road motor buses has affected the smaller railways which are mostly

under the management of domiciled companies rather adversely, and of the many measures thought necessary by the railways to combat motor competition, the running of through co-ordinated rail and road services is felt to be urgent. The present Bill is directed only to provide such a power by amending Section 51 (e) of the Indian Railways Act IX of 1890. It is presumed that when the Indian Legislature will pass this Bill, a corresponding amendment of the relevant Section of the Statutes 12 and 13 Victoria Chapter 41 will follow for guaranteed companies who manage certain railways under Agreements with the Secretary of State.

It will appear from the above that the claim of the smaller railways for suitable amendment of the present Railway Act cannot be regarded unreasonable.

Objections have been raised against the amendment mostly on the following grounds :

(a) "Apprehension of the creation of railway monopoly of road motor services, a result of which may be inconvenience to passengers and users of road transport."

(b) "Displacement of indigenous capital and labour which are finding employment today in private motor vehicles enterprise."

(c) "The danger of neglecting Indian interests in the purchase of stores and materials and in the furtherance of trade and industries."

(d) "Possible increase in disregard of public opinion if the management of road motor services is conducted by railway companies."

While admitting that under the present circumstances of railway administration and iniquitous and discriminatory conditions of working some of the above difficulties are likely to develop. I cannot understand why it should not be possible for us to eliminate

these as much as possible along with a general modification of our railway policy. I am of opinion that big key industries of the country and public utility services, including all classes of transport undertakings, should be nationalised, and the running of motor services by railways will be only a step towards that end. So far the danger of monopoly by railways is concerned, the present amending Bill does not contemplate this and it is difficult to imagine that without statutory authority the railways will be able to force out private vehicles from the streets by commercial competition.

The Indian Chamber of Commerce, Calcutta, in their opinion on the amending Bill have given conditional approval provided that there is a suitable machinery created to check uneconomic rate-cutting by the railways and any attempt to kill private enterprise through the strength of their superior resources and also provided that some machinery is constituted to fix reasonable rates both for motor services and railways and to co-ordinate them. I think this is all that we need at the moment, and while we are on the eve of big constitutional changes, it is desirable that greater control over certain classes of public utility commercial undertakings should come to the hands of its State.

So far as the employment of indigenous labour is concerned they are likely to be more increasingly employed and to have better service conditions under the State or under some well-organised companies working under the general guidance of the State than under private Indian capitalists. This is also true of the amenities to passengers and convenience to merchants.

With regard to purchase of stores, we

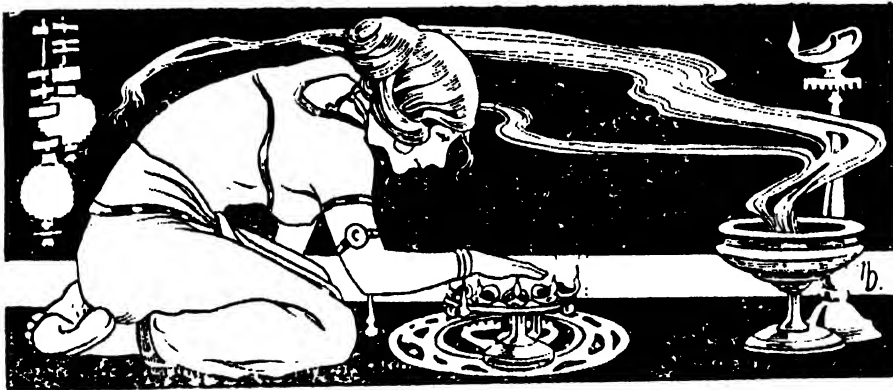
ROAD POWER FOR RAILWAYS

know that private commercial motor owners to-day spend a greater percentage of the capital on foreign materials and stores than even what the railways do. It is, therefore, doubtful if there can be any improvement assured in this respect if individual Indian capitalists are left to themselves free to indulge in their policy of capital investment in any manner they choose.

It is a pity, however, that in India scientific judgment on any economic question cannot be expressed purely on its own merits, and in the case of road power for the railways the same difficulty remains. For, although when we look at the problem from a purely business point of view we have to accord our

approval to the proposal, our enthusiasm for the railways diminishes when we think of their present reckless methods and unscientific and anti-national administration. Under such circumstances we have only to hope that in future better arrangements will be possible and public opinion in India will effectively assert itself to make things straight.

But, perhaps, it is not necessary at all to raise these big issues at the present moment and it is better for everybody concerned to allow organised competition to develop in the field of road motor services, which alone can open the eyes of many of the irresponsible commercial motor service undertakings of to-day.



The World Economic Crisis

By D. GHOSH, M. A. (Cal.) M. A. (Cantab.), Bar-at-Law.

Reader in Economics, University of Bombay.

We are today passing through the greatest crisis of the modern world. There are people who believe that this is the last struggle for survival of Capitalism—the frantic gasp for breath of the dying man. I have, however, sufficient faith in the vitality and toughness of the system to believe that it will ultimately pull us through, and that is why I have responded to the invitation of our Secretary to discuss some aspects of the present debacle.

Now there are different ways of looking at the crisis and the depression. I prefer to look upon it as essentially a breakdown of the balances between the various parts of our economic organisation. There is today a loss of balance between production and consumption, production and distribution, savings and investment, industry and agriculture, the output of durable and non-durable industrial commodities, and of staple and non-staple products of agriculture. This maladjustment is not primarily due to any defect of the technique of production or I hold even of distribution. It is the result of, at least it has been conditioned by, certain faults of our economic system. The crisis of today is in essence an economic crisis, though non-economic factors have immensely aggravated the situation. The way out must, therefore, be by some economic route, and the only thing that we need ask from politicians is that they should not dispose too freely what economists propose.

Unfortunately, however, economic experts have not made the understanding of the problem at all easy for the uninitiated. The extent of chaos in economic thinking on the subject of the world crisis is paralleled only by the disorder that prevails in the economic world itself. On almost all major issues connected with the crisis, divergent and sometimes irreconcilable opinions have been expressed by well-known economists. Take for example, the main question—Is the crisis a mere phase of a normal business cycle of the pre-war type, or is it an event of a unique nature for which no parallel exists in the earlier chapters of economic history. Sir W. Beveridge inclines to the former view, while Gustav Cassel, the eminent Swedish economist, maintains the latter. Again among those who hold that the present crisis is only a repetition, though on an incomparably larger scale, of our pre-war experience of trade cycles, there is a good deal of disagreement regarding the nature of the phenomenon and the relative import of the factors which underlie its causation.

In view of this lack of agreement among economists the amount of common ground discovered by the Committee of Experts who were entrusted with the preliminary task of drawing up an agenda for the coming World Conference, is a pleasant surprise. True, on certain points the difference of opinion among the members is hinted at. It is also obvious that the Committee has avoided a detailed

discussion of the issues with which it had to deal. Nevertheless, the experts have arrived at a larger degree of agreement than one would expect from a study of the current literature on the crisis and the depression.

I feel, however, that it is because of their anxiety to avoid controversy and to present a fair and balanced judgment that the Committee has failed to give a definite lead to the movement fighting the epidemic of modern economic life. The economic doctors have prescribed the strict observance of the normal laws of healthy life. But surely a patient in the condition in which the world is today requires something more than this; he needs a specific which can operate upon his body as well as his mind and lift him out of his depression. The specific alone will not work the cure. Nevertheless the patient cannot do without it.

With your permission, Mr. President, I shall suggest a certain specific. I have in the beginning of our discourse stated that I look upon an economic crisis as essentially a breakdown of economic balances. The remedy for the crisis and the depression must be through a restoration of these balances. Under Capitalism these balances are fairly well maintained in normal times by the free play of prices. Changes in relative prices give expression to and bring about adjustments between the production and consumption of various goods and services, final and instrumental. Some idea of the measure of efficiency attained by this system can be obtained from the fact that taking the twenty years before the war and the case of the United Kingdom, a country most exposed to world influences, the amount of unemployment was on an average less than 5 per cent, or in other words, over 95 per cent of the

working population was kept employed. It is necessary to remind ourselves of this fact before we listen to suggestions for the abolition of crisis by way of the abolition of Capitalism.

This is, of course, by the way. The point I want to make is that the orderly progress of Capitalist economy depends upon the efficient maintenance of the mechanism of relative prices and that this mechanism which has been thrown out of gear by the recent fall of prices should be restored to its normal level of efficiency.

There are people who desire that the restoration should be effected at the present low level of general prices. They maintain that the disparity between industrial and agricultural prices, for example, should be removed not by a rise of the latter to the height of the former but by a fall of the former to the depths of the latter. For my part I am strongly opposed to this method of restoring the inter-relations of prices. In the first place, this method has been to some extent tried during the last two years. Yet the economic depression has deepened more and more, until we are today face to face with another financial crisis in the U. S. Secondly, reduction of manufacturing costs means a drastic revision downward of wages and salaries. I need not say that in the state of mind of peoples in most parts of the world today, an attempt to cut down wages and salaries, while the rentier's income is maintained, is full of ugly and dangerous possibilities. Finally stabilisation of prices at their present low level will perpetuate the unjustly heavy real burden of past contracts.

A second type of suggestion has been for the restoration of the price system. It is maintained that since the present depression

and crisis are, in part at least, due to the over-production of certain commodities, the proper remedy for the malady should be to bring under control the output of the over-produced goods so that their prices may recover to their normal relations with other prices. I do not want you to believe that there has been no unbalanced production in recent years. But I maintain that considering the immense increase in economic activity in the period immediately preceding the Wall Street crash the degree of maladjustment has not been serious and that this maladjustment is primarily due to deliberate interference with the working of the economic system rather than to that system working too freely. I want also to stress the fact that schemes for planning production in particular industries or particular branch of agriculture have hitherto nearly always broken down in the end and in breaking added to our difficulties. Moreover, control of possible over-production implies not only that we should regulate the amount of economic resources, human and material, devoted to any particular branch of production over the world as a whole, but also that we should have a uniform moderation of the rate of technical progress on an international scale. I do not believe that either of these forms of international control is at all within the realm of practical politics. Besides, the time has not probably arrived when we should be so much afraid of the rule of our advance that we should think more of checking it than of devising means to increase the risk-bearing and risk-reducing capacity of our economic organisation.

I now turn to the final method,—what I consider to be the right method,—of re-establishing the equilibria of relative prices; I

mean the method of controlled reflation. If deflation is accepted to be the great evil from which we are suffering, the primary object of world economic reconstruction must be to stop deflation and reverse the movement of prices. To achieve this end we require both a set of favourable conditions and a suitable technique. There is a good summary of the first in the Annotated Agenda submitted by the Preparatory Commission of Experts for the coming World Conference. I shall therefore confine myself to a consideration of the second aspect of the remedy suggested. From the point of view of the technique of reflation I accept the theory of business cycles offered by Mr. Keynes in his *Treatise on Money*. It is not possible for us to go into this theory now. The essence of Mr. Keynes's argument which is relevant to our purpose is that economic crises and depressions are characterised by an excess of saving over investment. The problem of recovery is therefore, a problem of restoring the new investments to an equality with the volume of saving. Fortunately also the technique which is appropriate to this end is also the one which is suited to bring about a reflation of prices. In other words if we follow the right method of re-establishing the equality of saving and investment, we shall incidentally restore prices to a higher level.

The two methods which are normally used to bring about reflation are lowering the bank rate and increasing the open market operations of the central banks. Both these methods have been followed in recent months in several important countries. They have helped to create easy conditions in the credit market. Yet we do not see the beginnings of a revival of industrial activity. That is

because we have now reached a stage in the economic depression in which cheap money is not sufficient by itself to bring about an adequate recovery of new investment. At this stage we require the State to take the initiative and set the ball rolling by deliberately organising new investment. I know that this advice is contrary to the tradition of financial wisdom, which has permitted public expenditure out of the proceeds of borrowings only or mainly in the event of wars. I am also aware that we have not unfrequently waited for wars to lift us out of major depressions. I should, nevertheless, like to cherish the fond belief that economic statesmanship today is equal to its tasks without the blessings of Mars.

I do not want to minimise the dangers of

a policy of reflation of this type. But I believe that they can be avoided if certain reasonable conditions are observed. First, public expenditure should not be at the expense of either private enterprise or private consumption. Government borrowing should be adequately supported by an extension of bank credit. Secondly, public expenditure for stimulating recovery must be entirely separated from the ordinary budget, which should be balanced in the normal fashion. Finally, the initiative in this respect must come important countries like the U. K. and the U. S. acting in co-operation, with the rest of the world following their lead.*

* Being a lecture delivered by Prof. D. Ghosh at the League of Nations Union, Bombay, on March 8, 1933. -Editor.



Sickness Insurance in Germany

BY AUGUST JAAP

Of August Jaap Assekuranz, Berlin.

Sickness insurance is much more developed in the countries of German race, and especially in Germany, than in most other countries.

The following lines dealing with the actual position, operations and the results obtained by this branch of insurance business in Germany will certainly be of interest to all those who are concerned with this important branch of insurance business.

The Sickness insurance transacted by the Private Companies is quite different from what is called Social insurance which latter one is, as will be known, obligatory; it is an insurance against injuries in the sense of the law and its principal purpose is the reimbursement, against presentation of the respective invoices, of the costs caused by the sickness of the assured, medicinal costs, costs for medicines, for the hospital etc. It is an expensive assurance for the middle classes having lost their savings through the inflation, and especially in Germany. The Private Companies do not in any way, contrary to the State, oblige their assureds to consult physicians specially indicated beforehand or to be attended to in the hospitals agreed to by the State. The assured is entirely free in this respect, whether he chooses the family-doctor or professor. This is entirely left to his decision and against presentation of the respective invoices the insurance company is paying the proportion provided for in the respective policy which latter one is indicating the limit of engagement. During the period 1924-1928 the companies of this branch have had such a

big premium income that this was the best proof for the necessity of sickness insurance.

In order to attract clients certain companies have granted a daily indemnity for prolonged invalidity. This innovation, however, did not have the desired result and the companies became aware very soon of the fact that those claiming a daily indemnity had only a mind to exploit them. Moreover, the middle classes are reluctant to give informations on their income, salary etc. They also relnet against the control which is an inevitable consequence of the granting of this indemnity.

In 1930 the Companies have paid Rm. 107,350,000 for losses *i.e.* 72 per cent. of the premium income; half of this sum has been used up for settling the doctors' fees. For 1923 and the following years the companies have paid a proportion of 75 to 35 per cent. of the doctors' fees without any limitation. Now their engagements are still on the same basis, but a limit of indemnity has been fixed.

So far as the costs for medicines are concerned the assured is bound to a certain franchise in order that these costs are keeping themselves within reasonable bounds, however, no limit has been fixed yet. Also for orthopaedic apparatus, spectacles etc., a maximum indemnity has been fixed and the policy states that only simple apparatus will be reimbursed. The indemnity for operations is higher than that of the State, however a maximum per year has been fixed. As regards the costs of stay in a hospital, the company is either paying an indemnity

on the basis of the lowest class or the hospital's tariff or a daily indemnity which has been agreed upon in advance will be granted. Dental treatment and the acquisition of apparatus are excluded from the insurance seeing that the companies rightly assume that the claim in question is depending too much on the will of the assured.

Apart from these indemnities which might be called concrete the companies still grant what might be called abstract indemnities, *i. e.*, a daily indemnity in the event of incapacity for work and an indemnity in case of death, this latter indemnity rising in accordance with the duration of the insurance, but being payable only after a certain period of suspension.

As a rule premiums are payable per month; in the beginning the premiums were the same for all persons assured, but now a difference is being made according to the age and the sex seeing that it has been found out by experience that generally a woman costs the double of a man so far as medical costs are concerned. In the course of the last few years the premiums have undergone numerous modifications not only as a consequence of the increase in the doctors' fees, in the costs of stay in the hospitals etc., but also chiefly in consequence of the companies not knowing yet exactly the risk. Hereafter two tariffs are given of Mutual Companies differing only a little from that of the Private Companies.

A

Rm. per month

One individual only	7
One individual only and his family	15
One individual only, the wife and one child	14

B

Rm. per month.

One individual only	7
Household without child or one person and one child	11



August Jaap.

Household with children or one person
with two children and more

14

Hereafter we indicate also the tariffs applied by three companies belonging to the concern "Leipziger Verband" (Leipzig Union) where a discrimination is to be stated which is not contained in the tariffs mentioned above.

C

<i>Age of Admission</i>	<i>Prime</i>
0 to 5	2
6 " 10	3
11 " 15	4
15 " 25	5
26 " 35	6
36 " 45	7
46 " 55	8
56 " 65	9

D

0 to 7	2
8 " 15	3
16 " 30	5
31 " 45	6
46 " 55	7
56 " 60	8
61 " 65	9

<i>Age of Admission :</i>	<i>E</i>	<i>Prime :</i>
0 to 10	1.5	1.5
16 „ 30	6	7.5
31 „ 45	6.60	8.25
46 „ 55	6.20	9
56 „ 60	7.80	9.75
61 „ 65	8.10	10.50

These tariffs are not based upon a serious statistical foundation and the actual economic depression does not allow the companies to make thorough investigations in this direction in view of the high costs therewith connected.

The results obtained for the last few years showing also the developments of sickness insurance can be seen by the following figures given by the Board of Control :

1928	127,383,000 Rm.
1929	141,898,000 „
1930	148,227,000 „

The year 1931 will not be so favourable, the middle classes having had especially to suffer by the depression and therefore a decrease in the premium income is to be expected.

One of the principal dangers of sickness insurance is the subjective risk ; the claim is partially depending on the will of the assured both in respect of the frequency and the intensity. The companies have observed that very often medical assistance would not have been asked for but on account of the existence of respective insurance. In this respect the statements made by the Employees' Sickness Insurance Fund of Coblenz are illustrative according to which of 271,731 claims 49,641 were not exceeding Rm. 5. and 53,217, Rm. 1, which means that 39.3 per cent of all claims were referring to unimportant injuries only. The settlement of these claims is very expensive for the companies, some of them having offered up to 80 per cent. return of the premiums paid in the event of no claim being made during the period of insurance. In this way the following

returns have been made to the assureds of the annual premium):

1925	80 p. c.	i. c.	32,471,45 Rm
1926	80 p. c.		126,447,84 „
1927	50 p. c.		852,296,86 „
1928	50 p. c.		1321,514,17 „
1929	33.3 p. c.		2320,358,40 „
1930	33.0 p. c.		2337,524,16 „

These returns have had such a success that also these companies which in the beginning had been opposing same were compelled to adopt this procedure. It has also been tried to have the assured participate in the losses arising on the policy to the extent of one monthly premium in the event of the loss exceeding this amount ; other companies have fixed a franchise which is being deducted in advance no matter what the importance of the claim is.

Another means of protection against abuses is the period of suspension varying between 6 weeks to 3 months and from 8 months to one year for operations. The assureds being in a morbid state can be admitted if they have themselves insured with retro-active efficacy and premiums, which procedure has not, however, been adopted by all companies.

In order to increase this protection further the companies have even thought of a medical visit in the moment of the signature of the policy. However, this procedure would not easily be accepted by the assureds and would mean a serious obstacle for fresh business, especially under the actual circumstances.

There is, however, one last further means of protection for the companies in the shape of the clause by which both parties are entitled to cancel the policy at the end of each year or better not to have the policy prolonged seeing that it runs for one year only.

Now some figures may still be given as an illustration of the importance of sickness insurance ; there are in Germany $3\frac{1}{2}$ millions of assureds, more than 40 companies are operating this branch in its various forms and to this there are still to be added the public offices, those formidable competitors of private insurance.

Economic Planning for Bengal

By BENOY KUMAR SARKAR

Professor of Economics, Calcutta University

The following catechism is the result of an interview which Professor Benoy Kumar Sarkar so kindly gave us. We are glad to be able to publish Professor Sarkar's views on the economic reconstruction of Bengal along industrial lines, in the Third Anniversary Number of our journal. --EDITOR.

THE MOFUSSIL INDUSTRIALIZED

Q. Supposing some sort of economic planning were to be adopted for Bengal how do you think should we proceed to work ?

A. Economic planning indicates some conscious effort in a more or less concerted manner. But much work has been done and is being done in what may roughly be called an unconcerted and unconscious manner.

To begin with, it is necessary to have our eyes open in regard to the progress that has been achieved in recent years. The industrialization of our *Mofussil*, however partial and halting it be, is an outstanding fact which nobody can ignore. While one watches the expansion and improvements of Calcutta it should be reasonable to be conscious also of the economic and social changes that have come upon Jalpaiguri, Serajganj, Narayanganj, Kharagpur, Chittagong and other areas. During the last twentyfive years or so all these places have grown considerably, first, as "ports," secondly, as industrial centres, and thirdly, as commercial emporia for agricultural produce and manufactured goods. This growth has made itself felt in the houses, roads, water-works, schools, hospitals, motor conveyance, engineering repair stations, etc. of our *Mofussil*. These items do not fail to indicate that there is a slight but perceptible rise in the standard of living of the Bengali people. The district, subdivisional

and rural centres embody economic complexes much as may be regarded as some of the indices to Bengal's material and social progress since the Swadeshi Movement of 1905.

JUTE RESPONSIBLE FOR INDUSTRIALIZATION

Q. How is it possible to believe that Bengal is getting more industrialized while all the time we are feeling, especially in these days of depression, that we are so fatally dependent on jute ?

A. Curiously enough it is just this jute that, among other things, is raising Bengal up to an industrial level.

The most important, nay, the greatest single factor in the prosperity of Bengal, still continues, indeed, to be not modern industry but agriculture such as has developed as an adjunct to modern industry, especially agriculture in jute. But it should be observed, at the same time, that jute is responsible in the main for the industrialization of Bengal both indirectly as well as in a direct manner. This paradox will be patent to everybody who watches carefully the relations between the agriculture and the industry of Bengal.

The expansion of acreage in cultivation has gone hand in hand with the expansion in industrialization so far as jute manufacture is concerned. Rather, the rate of industrialization has invariably been higher than that of expansion in cultivation. In quinquennial

average the area under jute rose from 2,999,000 acres during 1893-97 to 3,093,000 acres during 1903-07. *Between these two five-year periods the jute mills of Calcutta increased their consumption from 1,716,000 bales (100 lbs each) to 3,48,000 bales. The manufacture rose 191.7 per cent while cultivation rose 136.0 per cent only.

It will be easy to visualize the comparative situation in the following equations :—

(1) Jute acreage (1907) = 1.360 jute acreage (1893).

(2) Jute manufacture (1907) = 1.917 jute manufacture (1893)

By 1923 the figure for cultivation was 2,788,000 acres and that for bales in mill consumption at Calcutta 5,117,000. There has been a steady rise along both these lines since that date. In 1929, the last pre-depression year, the acreage for jute cultivation was estimated at 2,224,000, and the actual consumption of jute in mills was registered at 6,235,000 bales. In seven years the expansion in cultivation was 115.6 per cent as the background of progress in manufacture to the extent of 193.3 per cent.

The following equations embody the relative change as consummated in recent years :

(1) Jute acreage (1929) = 1.156 jute acreage (1923).

(2) Jute manufacture (1929) = 1.933 jute manufacture (1923).

For the entire period of 37 years the relations between cultivation and manufacture in jute yield the equations as given below :—

(1) Acreage (1929) = 1.466 acreage (1893)

(2) Manufacture (1929) = 3.513 manufacture (1893)

So far as jute is concerned, Bengal has not grown exclusively as an agricultural country. Bengal's growth in industry also, although mainly under non-Bengali auspices, is eminently noteworthy, being more than 3½ times while that in cultivation somewhat less than 1½ time. Jute has thus served to industrialize the the country to a considerable extent (See Chart I).

Economically speaking, it would be an error to suppose that Bengal is merely a supplier of raw produce to the rest of the world. The story of jute is well calculated to dispel this illusion. The exports of raw jute to foreign countries have indeed grown, but they have not grown in the same proportion as the manufacture of jute within the country itself. To take the same periods as above, the actual exports of raw jute rose from 3,123,000 bales during 1893-1897 to 4,042,000 bales during 1903-07 while from 1923 to 1929 the rise was from 3,771,000 bales to 4,630,000 bales. The equation is as follows :—

(1) Exports of raw jute (1907) = 1.180 exports (1893)

(2) „ (1929) = 1.227 exports (1923)

= 1.352

exports (1893).

In 1929 jute manufacture in Bengal was 1.933 times that in 1923 and 3.513 times that in 1893. But the export of raw jute from Bengal in 1929 was 1.227 times that in 1923 and 1.352 times that in 1893. Down to about 1910 the amount exported was larger than that manufactured but since then has become less in absolute figures. Besides, although expansion is noticeable on both fronts, that in manufacture has been proceeding steadily at a higher rate than in exports

* *The Investors' India Year Book 1930-31* (Calcutta), pp. 184-186.

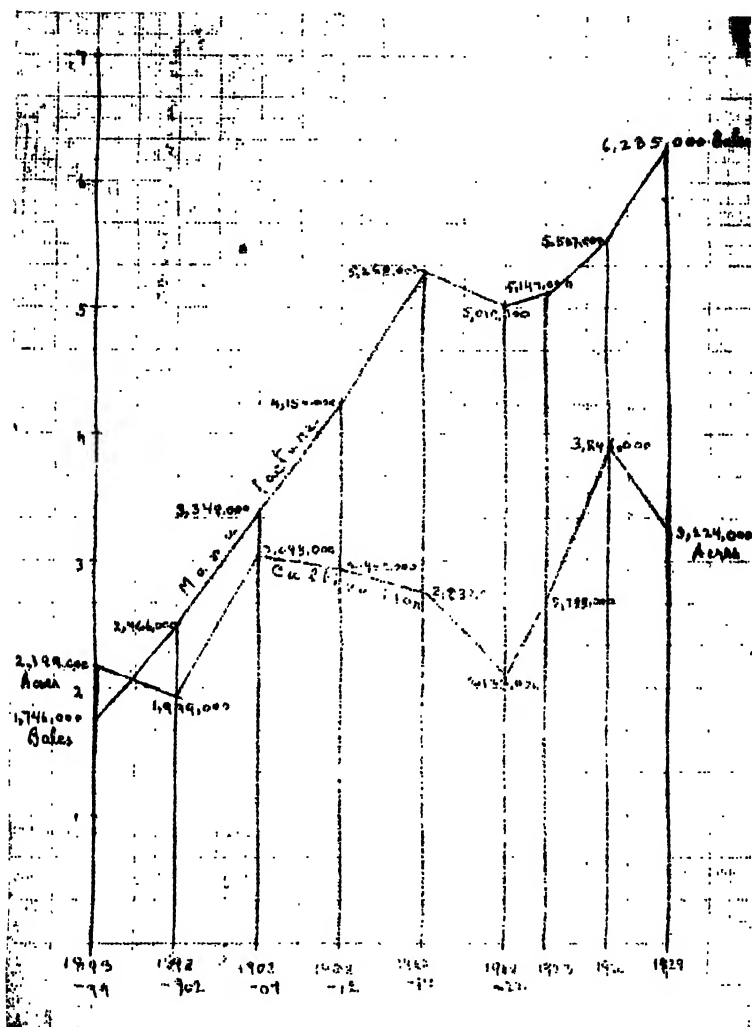


CHART I

Jute Manufacture in the Perspective of Jute Cultivation (1893-1929)

(1) Acreage (1929) 1'56 Acreage (1923) 1'46 Acreage (1893)

(2) Manufacture (1929) 1'33 Manufacture (1923)

3'513 Manufacture (1893)

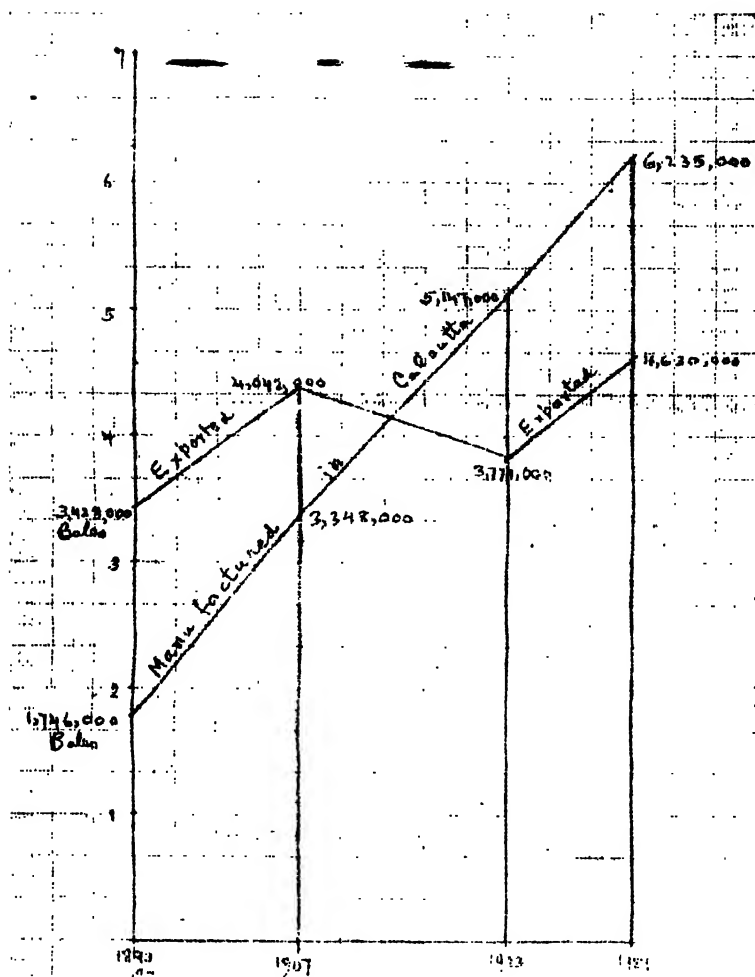


CHART II

Exports of Raw Jute in the Perspective of Manufacture (1893-1929)

- (1) Exports of raw jute (1929) 1'352 Exports (1893)
- (2) Manufacture (1929) 3'513 Manufacture (1893)

(See Chart II). But we shall notice presently that in the field of exports also jute goes out of India less as raw than as manufactured.

BENGAL ECONOMY AND WORLD-FORCES

Q. Do you think, then, that in the interest of industrialization and the promotion of our economic interests it is advisable to forbid the export of raw jute ?

A. Such a programme does not necessarily follow from my analysis. It appears to me that more jute will have to be grown in Bengal, and more yarn, twist, sacking, hessian, and bags will have to be turned out of the mills. That is, there is room for more jute mills in Bengal, or, at any rate, for more spindles and looms.

But for quite a long time yet not all the jute to be grown can be consumed in the Indian mills. Besides, jute, not only raw but also manufactured, will have to play a leading part on the credit side of India in adjusting the balance of accounts with foreign countries. A considerable portion of the price of our imports, *e. g.*, those of machineries and other "instruments of production" will have to be met by jute.

One but not the only connecting link between *Mofussil* Bengal and the world-forces is, jute, both raw and manufactured. As exporter Bengal is known to the outside world not only as an agricultural region but also as an industrial power. Rather, both in volume and value Bengal is known in international commerce more as a manufacturing country than as a land of cultivators, so far, at any rate, as jute is concerned (See Chart III).

The export of manufactured jute (bags, cloth, twist, yarn etc) rose from 640,793

tons in 1921-22 to 911 504 tons in 1928-29, while that of raw jute from 467,685 to 897,863, the total being from 1,108,388 to 1,809,367. In value the rise in manufactures was from Rs. 299,900,000 to Rs. 569,000,000 and in raw jute from Rs. 110,500,000 to Rs. 223,500,000, the total being from Rs. 410,400,000 to Rs. 892,500,000.

The geographical distribution of raw jute exports shows that new countries in different parts of the world have been slowly but steadily increasing their dependence on Bengal. From 1893 to 1929 the exports of jute (including rejections and cuttings) rose from 3,123,000 bales to 5,012,000 bales. But while the takings of Great Britain declined from 1,939,000 to 1,125,000 bales those of other territories rose as follows :

Territories during 1893-97		in 1928-29
1. Continent	1,000,000	3,061,003
2. America	467,000	525,000
3. Other Regions	17,000	299,090
4. Total including Great Britain	3,423,000	5,012,000

The *Mofussil* centres of Bengal are today not mere river-stations or railway-stations or subdivisional centres or district headquarters, lying as they do in rather unknown regions of India. The men and women of the Bengali *Mofussil* are economically and financially linked up with those of Dundee, Birmingham, Hamburg, Marseilles, Milan, New York, Osaka and Rio de Janeiro. The peasants, "*faris*", "*beparis*", agents, school masters and lawyers of *Mofussil* Bengal no less than the working men, clerks, merchants and industrial heads of Calcutta have always to visualize Japanese competition, German trusts, American capital power, British "colonial" developments and what not in the international economic sphere. The impact of the world-forces on the daily life and

activities of our people in the hundreds of our "*gunjes*", is a remarkable feature of our social economy. And for this cultural modernization and internationalization in outlook we have to thank jute in great proportions.

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THE FUTURE OF JUTE HOPEFUL

Q. But don't you think that as a source of wealth and as a factor in industrialization the prospects of jute are going to be gloomy in the near future?

A. Not yet by any means. It is quite in time that the Bengal Jute Committee has been constituted. But it is not reasonable to be unduly pessimistic in regard to the future of jute. Every shrewd businessman and statesman ought certainly to have an eye on the future, both remote and immediate. It is expedient to ascertain, first, what rivals to or substitutes for jute may become economic realities, and secondly, what is the possibility of countries, say, in Africa or South America producing jute in marketable proportions, thereby militating against the monopoly of Bengal. For the next half a generation, at any rate, paper-bags such as I have seen used in the cement works of Germany are not likely to be formidable substitutes for jute products. And the Africans as well as South Americans will take quite a long time to solve the problems of "retting" in the manner which is a part of our national technique on this side of India. It should be proper to watch carefully the progress in inventions, mechanical as well as synthetic, and the mastery of new practices in this field. But the jute-growers of our country need not be too nervous about the situation at the present moment, in spite of the fact that *sisal*, a fine East African

fibre, has been acclimatized on Javanese soil in German plantations and is being shipped also to Germany.

On the other hand, the prospects of jute are positively brighter than we imagine. The undeveloped and backward regions of the world, for instance, the Balkan states, Central Eastern Europe, Baltic countries, Russia, Southern Italy, Spain, China, Siam Persia, Afghanistan, and of course India and other territories in Eur-Asia as well as vast areas in Africa and America are getting industrialized and modernized in technique. Trade between country and country and continent and continent is tending to grow in bulk. The demand for jute is bound to grow during the next ten to fifteen years along with this growth of industrialization and expansion of exports and imports.

The trend since 1893, as well as in post-war years has been towards an increase in the consumption of jute, and this, as we have seen above, both within the country as well as abroad. The world's dependence on the Bengali cultivator bids, therefore, if anything, to increase. The present depression is to be treated as but a temporary, parenthetical phenomenon in the *digvijaya* of world-industrialization.

The details† of this increased demand of the world for jute (in bales) may be analyzed in part as follows (See Chart IV).

Countries	Pre-war Average (1909-14)	1928-29
1. Germany	920,000	1,457,000
2. France	428,000	616,000
3. Italy	213,000	340,000
4. Spain	122,000	240,000
5. Japan	17,000	67,000
6. Brazil	15,000	68,000
7. Unspecified Countries	86,000	271,000

† *Review of the Trade of India in 1928-29* (Calcutta), pp. 205-207.

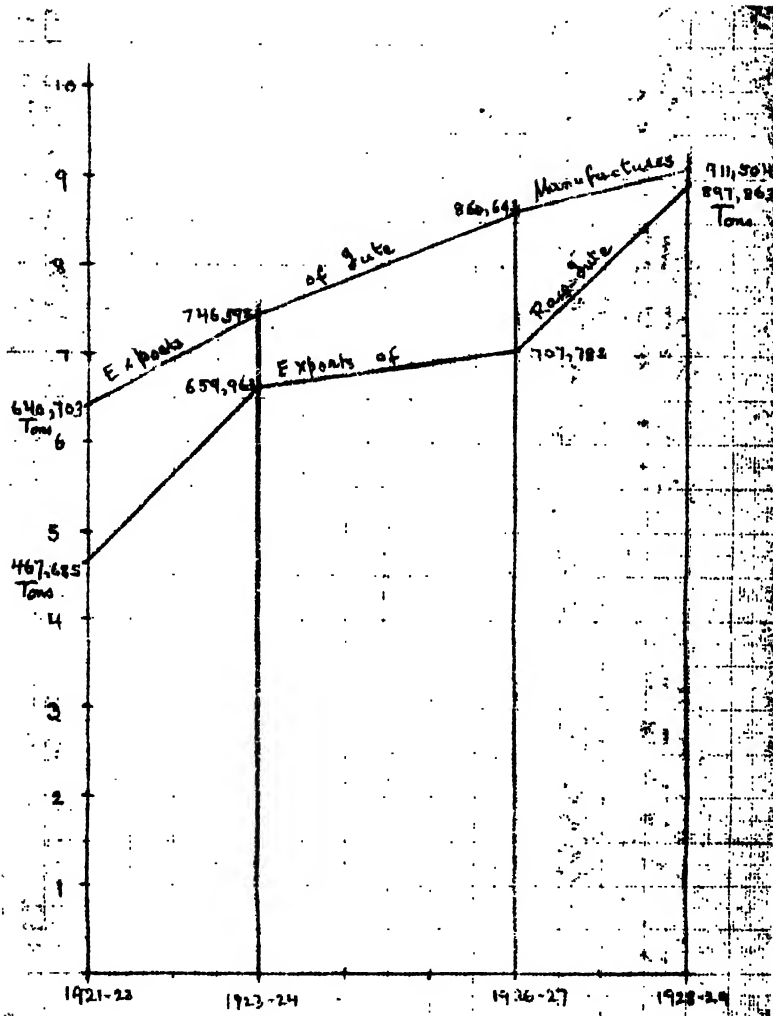


CHART III
Manufactured vs. Raw Jute in India's Exports (1921-29)

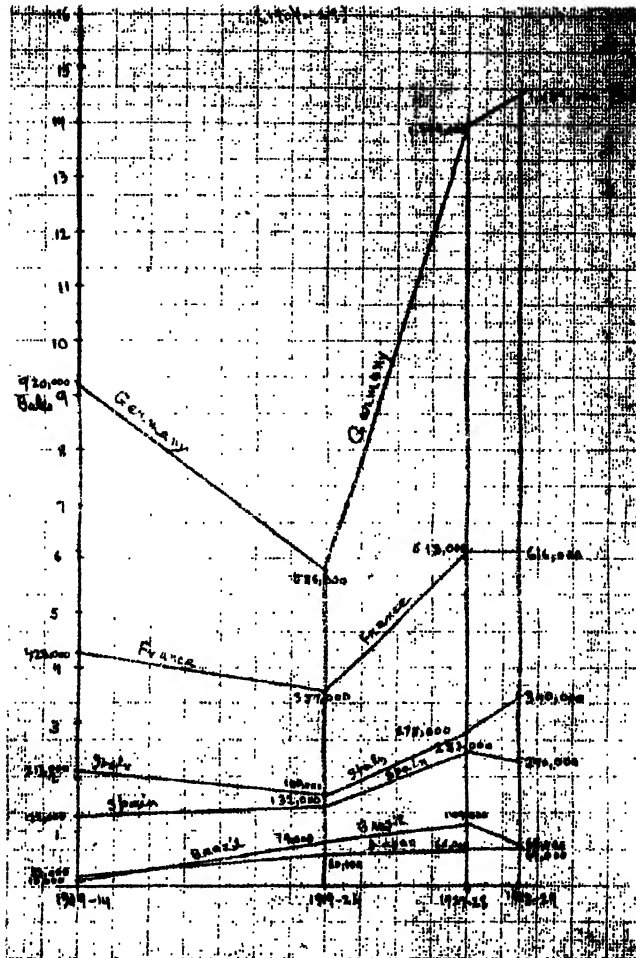


CHART IV
Some Expanding Markets for Raw Jute (1909-29)

The total increase was from 4,281,000 to 5,028,000 bales, during the half-generation comprised in the statistics.

In regard to the export of jute manufactures some of the countries may be singled out in regard to certain items (see Chart V). From 1916 to 1919 Java took on the average 21,300,000 bags of sacking but in 1929 her demand rose to 42,000,000. Similarly Cuba's demand rose from 21,000,000 to 33,400,000. The Argentine Republic's demand for hessian cloth was measured at 113,400,000 yards per year during 1916-1919, but in 1928-29 rose to 329,000,000. Uruguay's takings of the same item rose likewise from 4,200,000 to 14,400,000 yds.

From a pre-war average of 9,900,000 bags (hessian and sacking) the demand of East Africa (including Mauritius) rose to 24,500,000 in 1928-29, that of Central America and West Indies from 13,000,000 to 44,600,000, and of the Far East (including Japan and Java) from 39,300,000 to 79,800,000. Although the U. S. A. has reduced its demand for raw jute from 535,000 bales to 525,000 bales, its takings of jute cloth (chiefly hessian) have risen from 663,900,000 yds to 1,021,800,000 yards.

NO GLUT OF JUTE

Q. Don't you suspect that Bengal grows more jute than Bengal and the rest of the world can consume ?

A. There are hardly any reasons for suspecting that jute is being grown in inordinately large quantities.

The total out-turn of jute appears to have up till now just sufficed to meet the requirements of home consumption (in raw condition and manufactures) as well as of demand from abroad. The supply and demand in bales

(400 lbs each) may be indicated, as follows, from 1893 to 1929 :

Supply and Demand	1893-97	1923	1929
1. Output (supply)	5,663,000	9,118,000	11,365,000
2. Consumption in Calcutta Mills (actual)	1,716,000	5,147,000	6,235,000
3. Consumption in India (estimated)	500,000	500,000	500,000
4. Exports (actual)	3,423,000	3,771,000	4,630,000

The figures do not indicate that the market was exceptionally glutted during any period. Overproduction cannot be proven down to the pre-depression year. I am ignoring the price-statistics for the present, because it is curious that the price-curves have not invariably followed the supply-curves.

No project of economic statesmanship can be described as sound and scientific which on the basis of this year's or the last few years' average output would go in for a restriction in acreage or even for its opposite. What is needed for jute is neither a policy of off-hand contraction nor one of indiscriminate expansion but a system of control, of rational determination from year to year, of rationalization. A permanent board of advice is therefore a desideratum for jute as much as for other articles, agricultural or industrial in India or elsewhere.

THE PROBLEM OF THE JUTE-GROWER

Q. How is it possible, then, to elevate the economic condition of the Bengali cultivators ?

A. This is a large question, virtually large and comprehensive as that bearing on the entire economic problem of Bengal. But certain lines of enquiry may be indicated at once.

The problem of jute is by no means identical with that of the jute-grower. The one is essentially a question of mere quantity and quality of the raw material, the other a question of the economic condition of the people. It is possible to produce the same amount of jute through the agency of a larger or a smaller number of jute-growers. And here we touch the question of the standard of living. No matter what be the total volume of jute required for the world-market from year to year it should be the interest of the Bengali people to have it produced by a smaller number of cultivators. That would imply agricultural efficiency as well as an increase per head in the cultivators' share of the produce (other circumstances remaining the same), therefore a rise in the purchasing power and a consequent decline in the indebtedness of the rural folk.

Those who intend to solve the inter question will therefore have to look away to a certain extent from jute itself. The problem consists in diverting a large slice of our agricultural classes from the cultivation, as to arts and crafts comprehended in the cottage industries, and last but not least, to mines, railways, workshops and factories as industrial wage-earners.

The economic uplift of the jute-grower as a class can take place only when jute-growing has ceased to appear as the sole or principal employment in the rural areas. The economics of jute is thus to be envisaged as an integral part of the larger problem of the industrialization of Bengal and the transformation of the occupational structure of the Bengali people. It is really to these larger aspects that economic planning worth the name will have to address itself.

WORLD-RECOVERY IN SIGHT

Q. Is it possible to think of an economic planning for Bengal while the cultivators are getting no prices for their crops, Zamindars obtaining no rents, and retrenchments happen to be the order of the day?

A. Economic planning may be attempted even during periods of depression at home or abroad. The present world-crisis has unnerved many of our financiers, industrialists and cultivators as also representatives of these classes in every other part of the world. But this depression is not the first of its kind and is not to be taken as a permanent feature of the world's economic structure. It appears to me that as soon as capital-lending countries feel confident enough to export capital to regions such as have been used to considerable doses of foreign capital for their normal agricultural and manufacturing operations much of the dislocation of today may be expected to disappear.*

The post-war story of the two biggest capital markets,†—the American and the British, —will know a special light on this question. Both American and British investments in foreign securities rose steadily from 1919 to 1922, —the one from £73,000,000 to £39,000,000 and the other from £50,000,000 to £135,000,000. In 1923 there was a depression on the American market, the capital issues being registered at £59,000,000. But

* Sarkar : The World-Crisis in its Bearings on the Regions of the Second and the First Industrial Revolutions" in the *Journal of the Bengal National Chamber of Commerce* (June 1932).

† *Midland Bank Monthly Review* (London), Jan.-Feb. 1933 ; *The Course and Phases of the World Economic Depression* (Geneva), 1931, pp. 28, 35, 201, 203, *Compte rendu de la Banque de France* (Paris 1934), pp. 5-7 ; *Federal Reserve Bulletin* (Washington D. C. November 1932), p. 698.

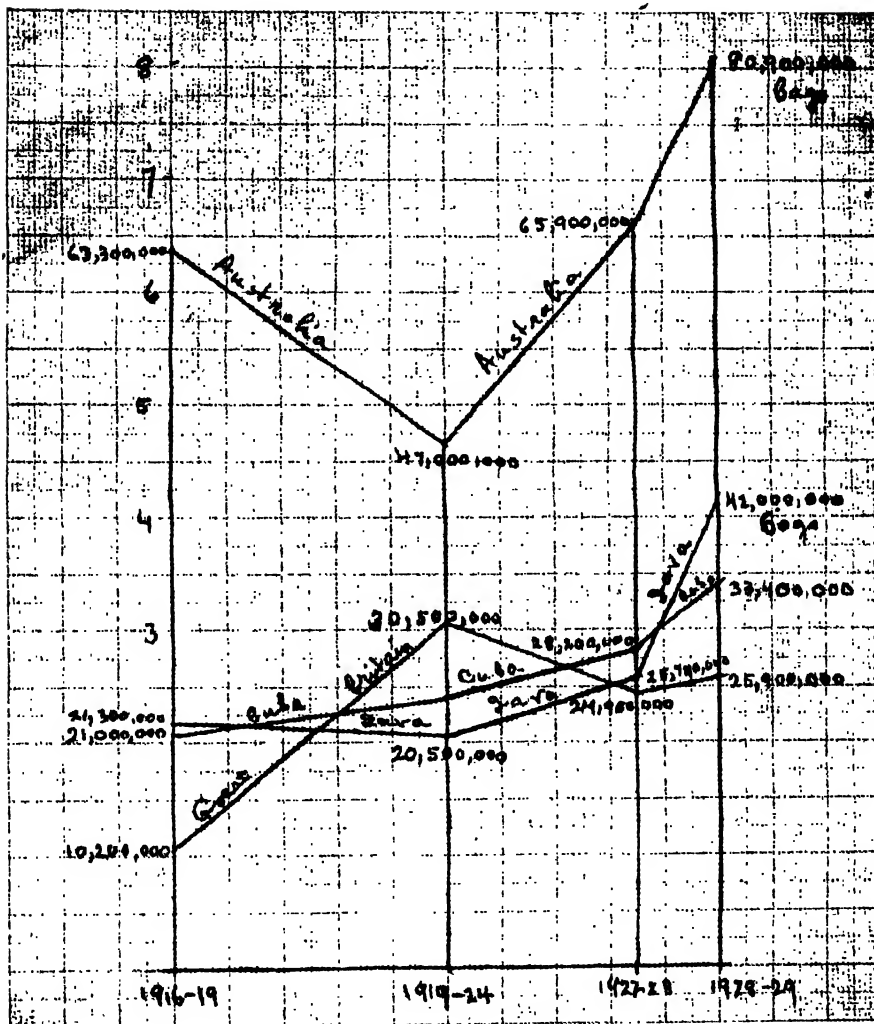


CHART V

Some Expanding Markets for Jute Manufactures (Bags of Sacking), 1916-29

since then the curve had been continuously rising for five years of "prosperity" down to 1927 when the peak was reached, namely, at £323,000,000. In Great Britain the corresponding depression was felt two years later, in 1925 with the level of foreign investments at £88,000,000. But it was temporary and replaced by a steady ascent in the curve which in 1928 reached £143,000,000 the highest in post-war British issues for external purposes. It is noteworthy, *en passant*, that with rather negligible exceptions American investments abroad have since 1919 been invariably more voluminous than British, and also that the world is normally dependent on American and British Finance for a substantial part of its undertakings. The American fall to £6,000,000 in 1932 from the zenith of 1927 or even the level at £272,000 in 1928 is, then, like the British fall to £29,000,000 from the peak of 1928 extra-ordinary and catastrophic for the economic enterprises of the nations (See Chart VI).

It is to be observed that the U.S.A., Great Britain, France, Canada, Czechoslovakia and Sweden which together exported 2,174,000,000 dollars in 1928 could export so little as 891,000,000 dollars in 1929. Since then they have become more shy. On the other hand, Germany, Australia, Poland, Argentine, Hungary, India, Finland, and Norway which together borrowed abroad 1,736,000,000 dollars in 1928 could borrow barely 1,000,000,000 dollars in 1929. Our own country, for instance, was almost starved financially, foreign investments in India being reduced from 67 million to 36 million dollars. The removal of the friction that is hindering the smooth export and import of capital is perhaps depending to a

considerable extent on the removal of international political suspicions and panic. Other circumstances remaining the same, this aspect of the question is likely to be somewhat satisfactorily solved by the World Economic Conference to be held this summer. By the next autumn we may expect the definite beginnings of a new situation, the world-recovery being in sight. It is within a year afterwards, *i.e.*, about the Pujah season of 1934 that the cultivators and Zamindars of Bengal may hope to experience the solid effects of recovery.

TECHNOLOGY AND FINANCE

Q. Granted, then that the world recovery is in sight, and even that economic planning may be attempted without reference to depressions or booms, what factors do you consider to be the most vital in the programme?

A. In regard to the economic modernization of Bengal certain considerations are of permanent value, and these will have to be considered even with a view to carrying out the most modest plans. It was in 1925 that my *Scheme of Economic Development for Young India* was published from Italy in order to awaken in our countrymen the desire for an "economic general staff," district by district, adapted to the diverse requirements of our peoples. Since then the subject has been discussed by me from varied view-points and on different occasions with an eye to focus attention on the realities of the economic situation and the highest consummations possible at the present stage of our growth. The analysis of details may be seen in my *Greetings to Young India* (1927), and *Ekuler Dhana-daulat O Arthashastra*

(The Wealth and Economics of Our Own Times) Vol. I (1930), and *Studies in Applied Economics*, Vol. I (1932).

Now that "economic planning," "planned economy" and allied categories happen to be popular, it may perhaps be worth while to invite attention to some of the most fundamental considerations that must underlie every project of economic statesmanship for Bengal or other parts of India. It is desirable to be clear at the outset that simply because we have learnt to glibly talk of a bunch of new words and phrases *a la mode genevoise* we have not thereby acquired the power to create new capital, raise the purchasing power or standard of living and efficiency of our peoples, and invent or command new machines.

Capital, purchasing power and machineries cannot evidently be brought into being or developed exclusively or chiefly on the strength of statistical enquiries, essays on the economic resources of India, or reports about the jute, cotton, coal or iron markets, no matter how well-documented and internationally oriented these publications be. Economic surveys need not, however, be disparaged. Rather, reliable facts and figures collected regularly from week to week will always have their place in every organized attempt at economic reconstruction on a large scale. But the most vital problem of economic planning for India as of the *Gosplan* in Russia is essentially one of technology and finance or of finance and technology. And finance and technology will have to operate in the Indian sphere as they have been in the Russian sub-continent subject to the conditions of the "Second Industrial Revolution" and world-economy.*

THE EPOCH OF WORLD-ECONOMY

Q. What is world-economy and how do you connect it with the economic planning for Bengal ?

A. World-economy does not imply universal brotherhood in economic relations. It is nothing but a system which facilitates the play of the two economic forces, namely, competition as well as co-operation, on a world-wide scale. The beginnings of world-economy are in part to be traced to the establishment of the British Chambers of Commerce in India during the period of the First Industrial Revolution in the early years of the 19th century. But it is to the forces generated during the period from the opening of the Suez Canal in 1869 to that of the Panama Canal in 1915 that we ought to ascribe the beginnings of the Second Industrial Revolution among the advanced nations and genuine world-economy in the two Hemispheres. Not only precious metals, not only the currencies, not only the rates of discount, not only the gilt-edged securities but virtually every kind of goods and every kind of value may be described to-day as world-goods and world-values. Naturally, Indian goods and values are likewise goods and values for the world-market.

It is possible to connect India with almost every market in the world as well as to draw practical conclusions for her "next stage" in business organization. While examining economic India by the world-standard we discover the means also of forwarding her interests by utilizing the world-forces. And this is an aspect of applied economics in the domain of world-economy.

of the New Industrial Revolution" (*Calcutta Review*, October, 1927).

* Sarkar : "Trusts and Rationalization : Aspects

ORGANIZED WORKERS AND LIBERAL PROFESSIONS

Q. Can you indicate some of the lines along which the scheme of economic planning for Bengal might derive practical hints from an examination of the world-economy?

A. The comparative occupational structure of the nations should demand our careful attention.

N. B. A test of modern economic efficiency is furnished by the strength of trade unions in membership.* Some forty-eight million workingmen are to-day organized in the world's trade unions. More than eight millions belong to Germany and Russia each, nearly five millions to Great Britain, nearly three millions to Italy while the number of unionized workingmen in India is less than half a million. This is another way of saying that the number of unionized workingmen per 10,000 inhabitants is something more than two thousand in Germany, a little less than two thousand in Great Britain, nearly eight hundred in Italy, nearly seven hundred in France, nearly five hundred in the U. S. A. whereas in Japan it is forty-three and in India only sixteen. International statistics enables us to master at a glance the difference in the standard of living and growth of capitalism between the diverse peoples of the world and we feel automatically that for India to-day it is more reasonable to try to catch up to the Japanese standard in technology and industrialism than to anything higher. No matter whether we have to compete or compete with others this is the A. B. C. of our economic organization.

India's poverty in technical efficiency as well as in avenues of employment is made manifest in another item of the occupational

census of nations. In India in a population of 350 millions the number of persons employed in administration and the liberal professions is slightly above 3 millions whereas in the U. S. A. for less than a third of this population the number of "intellectual" workers is nearly 2½ millions and in Germany for about a sixth of the population it is almost 2 millions.* In order that these proportions may acquire a vital significance we should say that the number of intellectual workers in percentage of total population is something above 3 in France, Germany, Canada and Switzerland, 3 in Argentina and Belgium, nearly 3 in Austria, Holland and Great Britain, 2 in Italy and Spain, 1·4 in Russia, 1 in Portugal, 0·9 in India and Lithuania, nearly 0·5 in Mexico and Rumania. It is a fallacy to suppose that in the industrially and commercially advanced countries the number of service-seekers is small. Besides, conditions more or less similar to or even worse than India's are to be found in the two Hemispheres. Economic planning projects would be rendering positive service should they succeed in diverting the attention of Bengali businessmen and economists to a considerable extent from the survey of conditions among "industrial adults" to the investigation of data bearing on India's socio-economic comrades like Lithuania, Russia, Mexico, Spain.

CONSUMPTION OF MACHINES

Q. What is, in your opinion, the extent of industrialization achieved in India up till now?

A. The grade of industrialization achieved by a people can be measured, among other

* *Annuaire Statistique International* (Geneva), 1928, pp. 12-13, *Statistisches Jahrbuch fuer das deutsche Reich* 1928, p. 26.

* *Reichsarbeitsblatt*, 36, *Sonderheft* (Berlin), 1927.

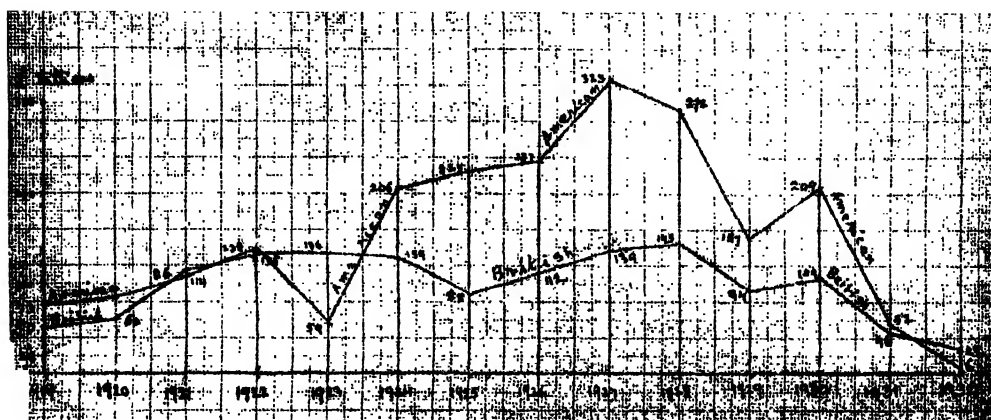


CHART VI

American and British Investments Abroad (1919-1932)

things, by the amount of its consumption of machines. More than half of the world's machineries are consumed in the U. S. A., something above 10 per cent. in Germany and Great Britain each, 2.5 per cent. in France, 1.8 per cent. in Italy, 1.5 per cent. in Japan, whereas India is responsible for 1.0 per cent. and China for 0.2*

In terms of money the consumption for the U. S. A. per head of population being 100, that for Great Britain is 42, Germany 36, France 14, Italy 10, Japan 5, Russia 4, whereas for India it is 0.7 and for China 0.15. In this regard as in the two other items of economic structure mentioned above it is interesting to observe that Germany and Great Britain happen to be on a par. And India's peers are also to be found. In the interest of economic planning we should make it a point to watch the methods and policies of these modestly situated peoples rather than those of the "great-powers."

* *Die wirtschaftlichen Kräfte der Welt* (Dresdner Bank, Berlin), 1927.

WAGE-RATES AND EFFICIENCY

Q. Don't you believe that low wage-rates constitute a handicap on the industrial efficiency of Bengal?

A. The question raises a complex of issues. But it may be analyzed in a somewhat pragmatic manner. I shall take the actual rates prevalent in certain countries.†

During a particular season in one of the recent normal years while the mason and bricklayer at Philadelphia earned 7.77 gold francs per hour, the one at Stockholm and London earned 2.22, at Berlin 1.55, at Paris 1.0, at Rome 0.89, at Tokyo 0.52, and at Bombay 0.33. The American earned 3.48 times as much as the Briton, the Canadian 2.31 times, the Dane 1.49 times. On the other hand, among those who earned less than the Briton, the Dutch earned 0.75 times, the German 0.70, the Frenchman 0.45, the Japanese 0.43, the Italian 0.40, the Czechoslovak 0.36, the Indian at Bombay 0.15 times.

† *Report on the Standard of Living* (Geneva, 1926), pp. 8-9.

It is necessary to pause a minute here while examining these wage-rates. The American earns nearly three times and a half but he is not necessarily so many times as efficient as the Briton. The German earns 0.70 of the Briton but he is not necessarily less efficient than the Briton to that extent. The comparative wage-rates should not be taken as indices to the comparative efficiency of peoples. In regard to India one need not therefore have to practise too great a pessimism on the score of relatively low wages, while, of course, one is not being asked to rest content with the rates as they are.

BALKAN COMPLEX AS EXAMPLE

Q. Is it possible to find from a survey of world-economy certain policies such as are likely to be useful to us in Bengal for our economic planning ?

A. It appears to me that there is something instructive in the recent economic happenings in the Balkan States.

The Austro-Hungarian Empire was dismembered by the treaty of Versailles. That was a political action. But economically some of the new states created out of it could not afford to remain separated from one another. And so the *petite Entente* was inaugurated comprising as it did Czechoslovakia, Rumania and Jugoslavia. It has recently been solidified into an "alliance" (1933). Even this enlarged entity proved to be too inadequate to cope with the economic requirements. So in 1930 was brought into existence the "Balkan Conference" comprising the six states, Albania, Bulgaria, Greece, Rumania, Turkey and Jugoslavia. In other words, the political ex-enemies had to come together in order to build up an economic

platform. The same year the agrarian states of Central and Eastern Europe established a "conference" and in it were represented the four Baltic states (Latvia, Estonia, Lithuania and Poland) as well as Bulgaria, Hungary, Rumania and Jugoslavia. In this instance, also, people had to forget the war-politics in the interest of economic reconstruction. Finally, in 1932 was initiated the Danubian Conference and in it Austria, the ex-enemy of the new states, had necessarily to play a leading part.

The economic policy that has been developing itself in the Balkan and Baltic complexes leaves no doubt that political sentiments are being eclipsed by considerations of economic necessity, we are witnessing the growth of unions where unions are repugnant to political ideals. A great object-lesson for India is furnished by this economic "realities" as distinguished from the economics of "pious wishes."

BRITISH COMMERCIAL POLICY

Q. Which way do you think is the British commercial policy tending ?

A. In 1929 the Colonial Development Act was passed in Great Britain in order to help forward in every possible manner the trades and industries in or bearing on any of the 40 colonies inhabited as they are by some fifty million men and women. And last year the British Parliament passed the Import Duties Act, first, to introduce thorough-going protection, and secondly, to establish preference for Empire goods.

The preference in exports that India has been enjoying since 1925 and that in imports that she has been granting since 1927 and 1930 have been now made into law on extensive fronts. The British Empire is thus

going to function as an economic unit *vis a vis* the rest of the world. And yet Great Britain is dependent on non-Empire countries for the absorption of some 60 per cent of her exports i.e. she does not intend to antagonise the rest of the world.

INDIA'S "NEXT STAGE"

Q. In view of all the circumstances, technical, agricultural and commercial, what should be the policy for economic India at the present moment ?

A. Neither America nor Japan nor Germany had been seeking to approach India with an offer of preference of some sort in any scheme of economic world-reconstruction. India's participation in the British preference does not, however, imply any prohibitive tariff regarding non-Empire countries. We may expect, therefore, mainly a change in the directions of India's foreign trade. There are likely to be a slight diminution in the prices of imports as well as some increase in the volume of exports. It may be possible for Great Britain to function as a re-exporter of Indian products to a much larger extent than before. And India's chances for competing with the colonies for British market and capital will tend to increase.

At all this is conducive to the promotion of our agriculture as well as the development of industrialization. Shrewd businessmen, whether they be interested in jute, coal, tea, hides or oil-seeds, will not fail to utilize these new affiliations in India's interest. Much will depend on the existence of realistic sense in our economic statesmen such as my counsel them to "always do the duty that lies nearest thee" instead of being waylaid by the willow-the-wisp of far-off economic platitudes. The economics of planning will

have to bid a cruel good-bye to the politics of sentimentalities and sonorous phrases and specialize prosaically in the strategy of the "next stage" in regard to our requirements in capital, "instruments of production," as well as scientific and technical equipment.*

CO-OPERATION WITH FOREIGN CAPITAL

Q. How far is it possible to carry out this scheme of economic planning in Bengal on the strength of Bengali Capital ?

A. Here as in other items we must distinguish sharply what Bengali capital has accomplished up till now and is likely to accomplish in the near future from what the Bengali people needs in the interests of its all-round and speedy economic elevation.

Neither the "cottage banks" of Bengal known as the Loan Offices nor the Insurance Companies under Bengali management have been making a worse show during the period of depression since 1929 than the corresponding institutions of financially and technically advanced countries, including the U. S. A. Modern industries on small scale are being attempted with success and projected by our countrymen along diverse lines, matches, glass, soaps, radio, etc. Cotton and jute mills are on the way to growing in number and importance. Engineering and chemical enterprises are likewise tending to become known more and more as Bengali institutions. Sugar and paper mills in Bengali hands may not remain realities for long. We are, besides, on the eve perhaps of an era of electrification in municipal jurisdictions.

The record of Bengali finance is encouraging so far as it goes, and we may depend upon this record of what should be described

*Sarkar : "Empire Development and World Economy" (*Journal of the Bengal National Chamber of Commerce*, 1927).

as the Kindergarten stage in modern capitalism as an earnest for further progress. It is clear, however, that the dimensions of Bengali enterprise are anything but considerable. It is within rather modest limits that Bengali finance may be expected as a rule to operate in the immediate future. But in the interest of quick results, especially results affecting large sections of the people we cannot afford to depend exclusively on unaided Bengali bullion and brain. Even Government subsidies of one form or other are likely to be too inadequate because neither are the public revenues very prosperous nor is the taxpaying capacity of the people considerable. For theoretical considerations it is desirable to note, besides, that state socialism much as has become classical in Germany and is being practised with vengeance in Great Britain is an integral part of the Second Industrial Revolution and is but a reflex of advanced capitalism. It is inexplicably bound up with high national wealth and can therefore hardly be attempted with any significance in zones of poverty and in regions such as find themselves in the earlier stages of the First Industrial Revolution, when, as is well known *laissez-faire* was the inevitable doctrine in state craft and public finance.

For some long time we shall have to cultivate active co-operation with foreign capital. Everybody who brings capital and invests it in the material and human resources of Bengal is a friend of the Bengali

people. Capital does not know any nationality. It ought to be a part of our statesmanship to attract financiers from far and near, —British, American, Japanese, and even German, as well as, of course, Marwari, to our villages and towns. It should be possible to higggle terms of financial co-operation between the Bengalis and the foreigners to reasonable basis.

Those of our countrymen who watch with jealous eyes the dividends and profits earned by the foreign capitalists and perhaps in large doses if not wholly taken out of Bengal ought not to ignore the fact that it is in and through the same process that Bengali peasants are being transformed into technically equipped workngmen and women, and intellectual classes of Bengal disciplined in the principles and practice of modern industry, commerce, insurance, banking, and business organization, although no doubt very often and mostly as mere second fiddles. We should not fail to realise, further, that it is in this school of practical experience as mere hands and second fiddles that a large part of the huge industrial and capitalistic army can ultimately be built up, *i. e.*, men and women who during the next generation or so are destined to function as the pioneers of Bengali capitalism and industrial power. It is to be hoped that the budding capitalists and economic theorists of Young Bengal will be able to rise to the new concept of patriotism as involved in all these considerations,

The Growth and Development of the Indian Textile Industry

BY PROF. THAKUR BHALACHANDRA BANERJEE, M. A.

Formerly of the Santiniketan College, Visrabharati.

Many persons fail to take note of the fact that the Indian textile industry includes both the handloom weaving industry and the cotton mills. Their idea is that the cottage industry is losing ground and has no prospects whatsoever against machine-made cheaper goods. Not only it was a very important industry in the days of old as we gather from the scattered records left by the foreign travellers, it is still holding its own against innumerable odds. Though hand-spinning of cotton is now almost extinguished, weaving still provides subsistence to nearly six millions of people. Many agriculturists take to this industry during the slack season as a subsidiary occupation. It supplies nearly one-third of the requirements of cloth of the country. Due to the Non-cooperation movement this industry got a very good start. This industry now produces nearly 1100 million yards of cloth every year.

It is not a fact that the mill industry and the handloom industry are antagonistic to each other, rather they are complementary. It is true that the weaver has no chance of competing with cheap mill productions, but he can hold his own in the case of goods which are either too coarse or too refined and artistic, and the demands for which are strictly local. The poorer people prefer the coarse cloth of the looms as it is more durable than that of the mill. The cotton mills cannot produce so many

specialized types because the demands for them is limited as well as seasonal. In the case of fine goods the mills are at a disadvantage. Thus we see that the amount of direct competition between the mills and the handlooms is very restricted.

The handlooms provide an enormous market for mill-spun yarns, as it consumes nearly 300 million lbs. of yarn annually. It utilizes yarn which cannot be used by the mills themselves. Thus the cotton mills are in a way very much interested in the development of the handloom weaving. After the loss of the China market for yarns, Indian mills are seeking for other markets, and the supply of yarn of finer counts to the handlooms will surely prove profitable. This industry has certain other advantages, *viz.* smallness of capital required, cheapness of labour, non-technical working, etc. which make it suitable for giving occupation to the poor village folk. Moreover, the poor teeming millions of agriculturists during the periods when they have no work in the fields can be provided with some income if they take to this industry. We in India are very poor and so every branch of profitable occupation must be exploited to give some additional income to the people.

Though it is such an important industry, it is a matter of great regret that neither the Government nor the influential people have taken any serious steps beyond showing

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academic interest to improve its position by giving various kinds of assistance. There is a great scope of improvement on the technical as well as commercial side of this industry. And if it is taken up by the educated middle class youths--there is a great chance for its revival. The improvement in the tools, the use of electric power, can make the cost of production very low. Introduction of cooperative principle with regard to capital, marketing of goods and purchase of raw materials can render invaluable assistance to the industry. If the industry restricts its operation to its proper sphere *i. e.* the production of special types of cloth not produced by mills it has a very bright future. But we must not overlook the difficulties which the handlooms have to face. The major part of the output is of a coarse kind and the taste of the consumer now is for finer fabrics. And the cost of production is very high as compared with that of the mill. But both of them can be solved--the former by education of public taste, the latter by the various technical improvements.

THE COTTON MILL:

The large scale manufacturing industry is of recent growth. The cotton mills are the biggest manufacturing industry in India, absorbing the largest capital and mostly worked under Indian management. At present there are 295 cotton mills in British India employing 350,000 men. The capital invested exceeds Rs. 40 crores. Within a very short time the industry has developed and expanded considerably and is now in a very good position though it had to face keen foreign competition.

The first cotton mill to start work in

India was the Bowree Cotton Mills Limited, near Calcutta with British capital. The first Indian mill was in Bombay which was the result of the Parsee enterprise; it began working in 1854. Since then many mills have been started all over India and in spite of foreign competition, trade depression and other setbacks the industry is progressing and expanding. The chief centres of production are Bombay, Ahmedabad, Broach, Sholapur in Bombay Presidency; Madras, Madura, Coimbatore in Madras; Nagpur in the Central Provinces, Cawnpur in the United Provinces and in the neighbouring districts of Calcutta in Bengal. In Bombay there are 203 mills, while the remaining mills are distributed over many provinces and towns. The growth of the industry in Bombay is due to the abundance of capital and credit facilities, the facilities of transport, and the demand for yarn from China which Bombay was very favourably situated to meet. But from 1877 onwards mills were rapidly constructed in the up-country towns like Nagpur, Cawnpur, etc. This distribution was due to the natural advantages, such as, vicinity of sources of raw materials, proximity to labour supply and nearness to big selling centres and this was made possible by the development of Railways. The recent tendency has been to push into smaller towns.

The industry received a great impetus during the great war. The Government of India had to extend its patronage in order to buy large quantity of clothing materials for the army. Imports from Lancashire also shrank due to the shortage of shipping facilities coupled with the preoccupation of Lancashire mills with war materials. From this time onwards Indian mills began to

produce goods of finer counts. During the war Japan entered the Indian market with her manufactured goods and began to compete seriously with Indian piecegoods and yarns. She captured the Chinese yarn market and in consequence Bombay was hard hit.

In the early stages the mills produced coarse and plain cloth and the bulk of production was yarn of lower counts which was consumed by handlooms in India and by the Far East. The industry had to struggle hard against Lancashire competition and it did not receive any protection from the Government. On the contrary, at the instigation of Lancashire many obstacles were put in the way of its progress—and one of them was the Cotton Excise duty. Japan's competition in the Far Eastern market forced upon the Indian mills the necessity of opening the weaving section and they are now producing more cloth than yarn. The national movement has given a great stimulus to the industry. Apart from the coarse cloth which is largely woven by all the mills the weaving of the higher counts and of fancy designs are some of the special features of the recent times. Bleaching, dyeing, printing are now included among the operations of many mills. The use of electricity has effected great changes in the technique of production.

After the stimulus given by the war there was a boom in the cotton mill industry. The Bombay mills paid very high dividends. After a period of six years the crash came. Meanwhile Japan began to compete seriously with the Indian goods. Another difficulty was the rise of the price of cotton. The difficulties were aggravated by fixing the rate of Indian exchange at 1s. 6d. In 1926

a Textile Tariff Board was appointed to study the conditions of the cotton mills in India with a view to examine their claims as regards protection as demanded by the Bombay mill-owners. The Board reviewed the situation and found that Japanese competition was due more to their efficient methods than to their falling exchanges, and that Indian mills were not very efficiently managed. They recommended that cotton manufactures other than yarn should be protected by the addition of 4 p. c. to the existing duty on all imports for a period of three years. The other recommendations were regarding the free entry of cotton mill machinery and the appointment of Trade Commissioners in different countries. The Government rejected the Board's recommendations for the imposition of protective duty—but after conferences and discussions the Government were prevailed upon by the millowners to reconsider their decision. A specific duty of 1½ annas per lb was imposed on imported yarn unless the value exceeded Rs. 1-14 in which case 5 per cent *ad valorem* duty was to be levied. But this duty was only temporary up to 31st March, 1930. But due to the severity of Japanese competition the millowners opined that the protection afforded was not sufficient and Mr. G. S. Hardy, Collector of Customs, Calcutta, was appointed to report on external competition of piecegoods in 1929. Mr. Hardy's report confirmed the millowners' allegations. The report was discussed at a joint conference and the duty was raised to 15 p. c. on all imports of cotton goods and a special protective duty of 5 p. c. has been imposed on all non-British goods.

Though due to the fall of prices of raw cotton, the cost of production has been

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cheapened ; and due to the increased duties on imports and due to the preference shown to country made goods, the mills are having a good time, the expansion of industry is not proportional to the normal consumptions. And this can be attributed to three factors : — (1) lack of purchasing power of the people (2) Japanese competition (3) inefficiency of the Indian mills. About the last two factors we will see more presently. The following figures will show the position of the Indian mills :

	Piecegoods	in millions of Yds		Total imports
	Indian	Japanese	British	
1927-28	2357	323	1513	1973
1928-29	1893	357	1457	1937
1929-30	2419	562	1218	1919
1930-31	2561	321	523	890

	Yarns	in million lb.	
	Indian	Imported	
1929-30	834	41	
1930-31	867	29	

The exports of Indian piecegoods have declined. Ceylon and Straits Settlements are the important purchasers. Ceylon bought 18 million yards in 1930-31, as compared with 19 million yards in the preceding year. Persian trade has also declined owing to the growing competition from foreign countries.

INDIA AND JAPAN — A COMPARISON

We would like to enquire into the conditions of cotton industry in Japan and to compare them with those of India, before making suggestions for improvements. It is generally thought that Japan is taking advantage of unfair means but this is far from truth. The real fact is that the Japanese industry is very efficiently organized and managed as will be evident from the report

on the Cotton Industry of Japan and China (1930) by Mr. Arno Pearse, the General Secretary of Master Cotton Spinners' Association, Manchester.

The Japanese millowners spend a great deal on welfare work for the benefit of the operatives — and thus they secure a better control of their work people and better efficiency of the operatives. As the labour is not unionized and as the Japanese people are always conscious of their national pride there are practically no trade disputes and deadlocks affecting the productions. Primary education is compulsory in Japan and they are naturally dexterous and nimble, and as such the labour is very efficient. The wages are also higher than in India. All operatives are prudent saving something from their wages and do not spend improvidently like their Indian brethren. Their physique is very strong. Swedish drill has been introduced in the mills as a common pastime. Many mills have undertaken scientific feeding. Welfare work has been inaugurated in Japan in such a scale as has not been attempted in any other country. Clean and spacious houses, sanitary arrangements, free entertainments and sports, hospital arrangements and lastly high wages all go to act as an incentive to better work.

The conditions of industrial labour in India is very bad. Labourers are not only ignorant and illiterate, they are steeped in superstitious usages. Physically, too, they are not very strong. They do not get any education and are indolent by nature having no ambition. They are easily misled by unscrupulous self-styled labour leaders to frequent strikes causing loss to themselves as well as to the industry. The wages they get are 10 to 15 p. c. less than in Japan, but their

output being smaller, labour cost ultimately is higher in India. Not only the labourers have frail physique, they suffer from many diseases due to insanitary conditions of living and unsound feeding. There is practically no welfare work, the Government also is not alive to the situation. The millowners have not appreciated that the problem of removing ignorance of the operatives and of making them more efficient workers are necessary for their own self-interest. For the insufficiency of the labourers the millowners to a great extent are responsible. They should learn from Japan the utility of genuine welfare work.

The working in the mills in Japan is more perfect than in India. Punctuality is ingrained in the operatives. There are proper intervals for food and rest. In India lack of discipline is to be found in almost all the mills. Continual in-going and out-going for food and rest affects the working. The habit of absenting for days and months together make them inefficient. In the working of the mills Japan enjoys a double advantage by the two shifts system, 8½ hours each (morning and evening). By this system not only the earning power of the machinery is increased, but the machinery can be renewed at shorter intervals. In Japan by the time a machine is worn out, it becomes obsolete; whilst in India the same machine may become obsolete but it has many more years of life, as in India the majority of the mills have one shift of ten hours a day. Only in about a dozen of them there is the double shift system.

About the organization of the mills and their management many things can be learnt by countries like England. Japanese Spinners Association of six-eight companies control over 10 p. c. of the total yarn production. There

are four mill combines controlling 60 p. c. of the whole industry. Each combine has specialists for every department resident in the mills. Then we have three very large cotton buying firms which also undertake the selling of manufactured articles at a very low rate of profit. These firms have world-wide organizations. India has many advantages,—more particularly with regard to buying raw cotton—if such an organization is brought into existence for the purchase of raw cotton—ultimately the products can be sold at cheaper prices. The managing agency system is to be found in India alone. These agencies are there primarily to finance the mills but as they have many other kinds of business, their supervision is not efficiently done. The system gives special opportunities for exploitation and even fraud. Moreover, these agencies are more often not technically qualified to manage the mills.

Japan is abreast of the times as well in matters of technical improvements. Whereas in our country very few mills keep themselves acquainted with new improvements. The difficulties of getting really qualified and competent men are very great in India. Those who run the mills have neither theoretical knowledge nor any broad outlook. What they have learnt is through experience. But experience is not always a safe guide in modern times when new complexity is emerging every hour. As they lack imagination and as they are conservative they cannot survive the increasing foreign competition. They are back numbers—a better set is required. Then the so-called foreign qualified men get only laboratory training which do not stand them in good stead in commercial production. They are not given the facilities to learn the technique which is kept strictly

secret. And even if they possess such a knowledge they cannot apply them to Indian conditions, until they gain in experience. The best way would be to train up apprentices in the mills for some time and then send the best of them abroad with instructions to learn the different aspects of the business.

Most of the Indian mills are financially weak. They have no reserve fund. Huge profits made during the boom period have been distributed as dividends. The unhealthy speculations in the purchase of raw cotton and of the mill shares are also responsible for the bad plight of the mills. Whereas in Japan the financial position of the mills is very strong. The profits are distributed with discretion. There is no hedging contract. Large quantities of cotton are purchased, and if the price drops further another lot is purchased and the price is then averaged.

THE FUTURE

The Indian textile Tariff Board's report points out that the inefficiency of the Indian mills is due to many causes and it proposes many steps to be taken. So far as the purchase of raw materials and marketing of manufactured goods are concerned the mills should combine and co-operate. But we think this does not go far enough. In order to keep pace with the changes in the industrial technique the millowners should make provision for industrial research work and market research. Statistics should be collected with regard to production and consumption. Competitive products are to be tested and analysed in order to make cost studies. What is wanted is leadership with imagination and wide outlook. The methods of sale are also defective—they

are done by commission agents who have very little touch with the consumers—their aim is to reap profits and not to push sales. Closer touch is necessary between the mills and the consumers in order that production may follow the changing habits and tastes of the customers. This advice has been acted upto by many mills now which have opened out their own selling departments. But further improvement in this line is necessary. Investigations as to potential markets should be carried on and new channels of approach to the consumers must be devised. New wants are to be created by forcing new designs and patterns on the public, by cheapening prices. Here we may note that there is a great market in Persia, Iraq, Syria, East African Coast and South Africa as has been reported by the Trade mission (1927) appointed by the Government of India. Total imports to these countries amount to 1100 million yards, India's share is only 110 million yards. The Report points out that Indian goods fall short of the standard set by the European countries and hence they are being gradually ousted. The Indian manufacturers are not fully alive to the selling side of the business—they are interested with production.

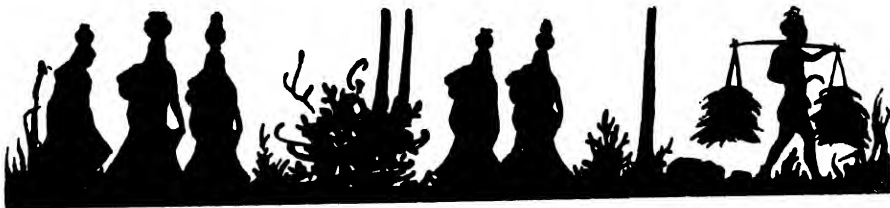
Noyce Report points out that efficiency of labour should be increased by education, by welfare work, by high wages—in a word, by making the condition of work better and more humanized.

Under the Ottawa Agreement of 1932 to which India is a party, India is to give 10 p. c. preference to British and Empire goods over foreign goods. This means so far as cotton goods are concerned elimination of Japanese and Italian competition. The recent figures of Japanese imports show

a marked fall. But we have seen that Japanese combination and organization is very strong and efficient and we cannot predict with any definiteness what will be the results of the new tariff. But it will be a great pity if India with abundance of raw cotton and such a big market for cloth fails to develop the cotton industry. All the cotton grown in India is not consumed by the mills, one half is exported raw.

In bringing this article to a close I would like to review the position and prospects of Bengal mills. Bengal is the chief centre of *dhuti* trade—but it is a pity that Bengal cannot supply the needs, though the number of mills are growing day by day. Bengal has certain advantages—coal as the source of power can be had easily—then there is the market. Close touch with the market is possible. The humid climate is also favourable for the industry. But

there are certain drawbacks as well. The first difficulty is regarding capital. Most of the Bengal mills barring a few are not in a position to work due to their inability to raise the share capital. Some of them appear only in Register. The Bengalis being generally less well off than the Guzraties, the Parsees and the Bhatias, it is difficult to get capital. The next difficulty is due to scarcity of labour. Bengali workmen are not physically competent to undergo strenuous work as obtains in the mills. The mills generally have to recruit operatives from Bihar and Orissa and Madras. Better conditions of work and high wages may induce them. Lastly, business training and tradition are wanting in Bengal. The literary bias of education coupled with love of ease and abhorrence of manual work make it difficult for them to take to industrial ventures.



The Investment Controversy

Wise, Unwise and Otherwise

By U. N. SEN

I did not want this subject for an article. When the Editor suggested it to me, I told him of my peculiar difficulties in dealing with a subject which has practically degenerated into a controversy at the instance of men whose opinions are entitled to respect. He, however, explained that a sense of responsibility is often a restraint on healthy outlook, and those who have the burden of investments on their shoulders are liable to have a predilection in favour of their own policy and principles. As I have nothing to do with investments, he would like me to put in some observations, not necessarily sound and correct, but candid and unbiassed. This understanding has disarmed my objections.

Many people have written much about investments, one contradicting the other, another contradicting both and yet another presenting a view which was never known or heard of before. The result is a general confusion in the popular mind. The student who has carefully read all the glowing peans of wisdom scattered over the pages of obliging journals and newspapers, finds himself in the position of Buridan's ass of whom it is said that the poor animal 'starved between two bundles of hay because he could not decide which bundle to turn to first.' If it happens to the lot of any man to decide from Press contributions about the right kind of investments for a life office, he will never make a decision. Below are given some of the contradictory opinions which confront the prospective investor :

1. "Safest investment is that where the interest never defaults."

"I have come across cases where regular payment of interest was only the prelude to decamping with the capital."

2. "Insurance companies should keep away from investments in Mortgages, Shares of limited companies and loans of personal security."

"It is quite safe to lend money on the joint personal security of more than one businessman of good repute."

3. "Companies that invest all or the major portion of their funds in Government securities are in a better position than companies that invest in shares."

"Government Securities offer no special attraction . . . They simply represent investments involving minimum of trouble and therefore minimum interest return."

4. "Instead of loss taking place on account of the depreciation of the value of Market Securities, the insurance companies stand to gain effectively on account of it."

"It is certainly not safe to buy Government paper in a high Market and sell them in a low Market, for that will invariably entail loss of capital."

From the above extracts it will be seen that the prevailing confusion is the consequence of an absence of agreement to differ. If we want to accept the dictum of Mr. S. L. Roy, M.A., that "the safest investment is that where interest never defaults," we must ignore the salient words of caution from an

experienced authority that he has known cases (not one) where "the regular payment of interest was only the prelude to decamping with the capital." There is no point of accord. The opinions do not merely differ. They are conflicting and seem to admit of no compromise. It would appear that there is hardly any scope for tolerating, much less for understanding, the difference in points of view. The ordinary man who had the extraordinary desire of learning about investments is perplexed, perhaps bewildered. Knowledge is elusive and the paths of journals lead but to confusion !

I believe that so far as investments of life funds are concerned, it is dangerous to express oneself in the superlative degree or in ultimate terms. When, for instance, Mr. S. L. Roy, M. A., wrote that "investments in Government Securities are safest and best," he preached a sermon which was at once fair and false. Let us consider the respective positions of two life offices A and B.

Basis of Valuation 1929	Company A	Company B
Mortality Table	Om5 with 5 years rating up	Om5 with 6 years rating up
p. c. of premiums reserved	* 21 (52)	* 20 (11.5)
Rate of interest assumed	† 5 p.c. (4.2 p. c.)	† 4.5 p.c. (5.7 p. c.)
Result of Valuation	Deficit	Surplus
1931 figures	Rs. 76,000	Rs. 3,50,000
Rate of interest earned	4.2 p.c.	5.9 p. c.
Expense ratio to renewals	33 p. c.	8.01 p. c.
Increase of new business over 1929 business	-57 p. c.	+75 p. c.

The major portion of the investments of both these offices is in Government Securities.

* The figures in brackets represent the percentages of premiums actually absorbed in expenses.

† The figures in brackets represent the actual rate of interest earned.

But the position of company B is far better than that of company A. The expense ratio of the former is well within the margin provided for in the valuation, and the rate of interest earned is higher than the assumed rate. Already there has been a big surplus and the expectation of still better results at the next valuation is amply justified. Little fault can, therefore, be found with the Directors of this company for investing the bulk of their funds in Government Securities.



U. N. Sen

The same considerations, however, donot apply to company A. For them the valuation has been made on a very weak basis. The expense ratio is higher than the percentage reserved for expenses, and the interest yield is lower than the assumed rate. The valuation result was a deficit of Rs. 76,000. New business has considerably decreased during 1930 and 1931. Plainly the company

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is heading for a crisis. How will they improve the position? The chance of any surplus emerging either from expenses or interest is very little. They must therefore cut down expenses in one hand and raise the interest income in the other. The comparatively low rate of interest earned by them is due to the fact that Government Securities were purchased at a high market. I would advise them to sell of Government securities as far as practicable and reinvest the amount thus released at 8 or 9 per cent. interest. I would even go a step further and advise them to invest some moneys by way of loan on personal security at 12 or 15 per cent. There are many needy men including myself who will readily furnish unimpeachable security. For all I know, the Secretary of the company may perhaps require a lump sum advance for house building. Here is a chance for the company to invest money at 12 per cent per annum instead of the usual 4 or 5 per cent. Whatever risk there may be in such investments must be cheerfully taken in order to save the company from a graver risk. I hope this illustration will make it perfectly clear that one and the same principle of investments cannot apply to two offices under unequal conditions.

Those who have interested themselves in this controversy, seem to have forgotten altogether that there cannot be any abstract principle of investment for companies which have varying principles of business. The scientific principle on which the business of life insurance is based, is itself capable of considerable extension. For instance, the premium rates of life offices are drawn up according to certain fixed principles *but not exactly on the same basis*. Mortality, interest

and loading for expenses are the three factors which are taken into account in calculating premiums. The difference in the premium rates of different offices arises from these three factors. The following Table shows the *net* annual premiums of the American Table at 3 per cent and $3\frac{1}{2}$ per cent interest :

	3 p. c. basis	$3\frac{1}{2}$ p. c. basis
Ordinary life	\$ 21.08	\$ 19.91
10-Payment life	49.73	44.78
20-Payment life	29.85	27.40
10-Endowment	89.30	87.02
20-Endowment	41.97	40.12

Now let us consider the position of two offices A and B where the premium rates have been drawn up on the basis of 3 p.c. and $3\frac{1}{2}$ p.c. interest yield respectively. If company A earn 3 per cent. on its funds, it is sufficient to fulfil the contracts, whereas for company B a minimum interest of $3\frac{1}{2}$ per cent is necessary (for the sake of simplicity, I am ignoring the margin necessary for fluctuations and profits). It will, therefore, be foolish for anyone to suggest that both these offices should invest their funds at the same rate of interest. Even if both the companies earn interest at $4\frac{1}{2}$ p. c. the position of company A will be better than of company B, other things being equal.

Then again, there is the question of expenses. If both the companies mentioned above have the same loading for expenses but in actual practice, company A spends more than company B, the former may still continue to be as strong as the latter on account of a correspondingly higher income from investments.

It has been suggested that the company which cannot earn a good rate of interest will "find it impossible to declare good bonus and therefore impossible to make good

progress". This is not wholly true. An insurance office allocates bonus out of its valuation surplus which may arise from mortality, or interest or loading for expenses or from any two or all of them. Thus the insurance office which has practically no margin of profits from interest, may have very favourable mortality experience and good expense ratio which will result in valuation surplus in spite of the defect in interest yield.

On the whole, it must be definitely understood that the investments of a life office cannot be considered irrespective of certain factors which are vital. The position of the company, its premium rates, expenses, mortality experience are the main factors which must govern its investment policy. If we are disposed to force on the insurance offices, one and the same policy of investments, we must ask them to follow the same policy of business in the first instance, otherwise the pleasurable occupation of educating public opinion will lose its charm.

A recent writer has characterised investments in mortgages and shares as unsound from which insurance offices "should keep away." I do not agree with him. Perhaps it is more than that. I find I have a wholesome contempt for such unwholesome advice. I do not, however propose to refer him to any dubious authority. In the C. I. E. Examination for Fellowship 1932, the following questions were set :—

1. (a) What would you regard as the principal points to be borne in mind in granting loans on Mortgage ?

(b) Name four classes of property on which mortgages should be usually avoided and give your reasons.

2. What consideration would influence

you in determining the attractiveness or otherwise of the following classes of Stock Exchange securities :

(a) Debentures (b) Preference Shares (c) Ordinary shares

Solutions to the above questions prepared by the School of Insurance, London and Glasgow, are given below :

1. (a) The principal points to be borne in mind are :

(i) The security (as distinct from personal covenant) must be beyond suspicion.

(ii) The title must be good, and surveyor's report if any, favourable.

(iii) The period of the loan and arrangements for redemption. Loans on rates are usually repayable by instalment of capital and interest, and provision must be made to replace the capital. Other provision may be made by sinking fund or life insurance.

(iv) The rate of interest must be attractive.

(v) Possibility of business for the insurance departments.

(vi) The source from which the mortgage is offered.

(B) Among others, these 4 classes of property are unsuitable for loans on mortgage :

(i) Leasehold property which is likely to deteriorate.

(ii) Property in the course of building.

(iii) Property not adaptable for other purposes in the event of sale, *e. g.*, a school or specially built factory premises.

(iv) Property in bad repair.

2. The principle involved is security first. The types of investment best suited to a life office or fire office depends on whether or not they may have to be realised at short notice. Each of the three classes of

security should be commented upon particularly as to the amount of capital and prior charges. The main considerations to be kept in view apply here as well.

The solutions quoted above cover the whole range of controversy about investments in mortgages and shares. It will be seen that such investments do exist and to the extent of providing a subject of examination for fellowship. I can understand Mr. S. L. Roy giving a summary answer that insurance offices should not, under any circumstances, invest their funds in mortgages and shares but I cannot contemplate the measure of success he will attain.

In case it is suggested that the theoretical solutions given above are not followed in practice I think I can profitably cite the case of African Life Society Ltd. which is considered "as a virile exponent of the best in life insurance." The total funds of this office exceed £ 6,090,000 and out of this its investments in mortgages amount to £ 3,836,000 or about 63 per cent. The investments in Government Securities amount

to £ 65,700 or about 1.06 per cent. The following extract from the Chairman's speech at the Annual General Meeting 1932 is interesting :

"... I refer to the security upon which the investment value rests. This does not depend on any particular or individual item of investment but upon the entire assets of the company issuing it—in our case the entire assets of the Society whose funds exceed £ 6,000,000. *In fact so diverse are the investments of a life office*, one can claim with safety that in the final analysis it is the credit and stability of the country which stands at the back of it. Further than this, we need not look, for the credit and stability of South African continues to be held in universal esteem."

Here is the Chairman of a big insurance office speaking of diverse investments of a life office, sinking its funds in mortgages and actually claiming that it is the credit and stability of a country which stands at the back of its insurance offices. Alas for Government Securities !!



The Sickle and the Hammer

(A Study in the Problems of Modern Indian Economic Organisation)

BY KARUNA KUMAR NANDI, B.A.

When Mr. Editor did me the honour of inviting me to write for his paper, I had the sensation of being hit on the head with a spanner. I am afraid I am still suffering from the concussion of this unwonted honour, and I do not offer any apologies for the choice of my subject. I would rather refuse if I could,—but Mr. Editor commands, and I am at his service. I take up the subject that occurs to me at this moment and deal with it as best as I can.

For the purposes of my study I would begin from the point when the so-called industrialisation of India first started with the introduction of the Railways under the Viceroyalty of Lord Dalhousie. From then onwards a steady, though somewhat slow, progress has marked the development of India's commercial resources. When the East India Company first started their operations in this country, England had not yet then passed through that transformation which has been known in history under the name of the Industrial Revolution, and the produce of the Indian artisans held a very highly respectable international demand. At that stage India was both in agricultural and a manufacturing sub-continent. In fact agricultural India had never been purely agrarian, even as manufacturing India has never been purely manufacturing. The fundamental difference between the economic organisation of this country from that of the contemporaneous guilds of mediaeval Europe lies in the multiplicity of occupations indulged

in by the average number of the Indian productive community, while the European artisan formed a class apart from the agrarian cultivator. In fact, remnants of this type of our economic organisation can still be found in most parts of the Bengal villages where the cultivator generally plies alongside of his main trade such other productive enterprises as weaving, carpentry, fish-mongering, etc., as the case may be. This was perhaps inevitable as the Indian cultivator would otherwise have to remain absolutely idle between crops during nearly half the year and it is only natural that they should occupy their idle hours by some productive effort of this kind. At the time therefore when the East India Company first started their shops in this country, ostensibly as peaceful traders, Indian manufactures enjoyed a very keen demand from the countries of the west. In the *Periplus* it is mentioned that Egyptian mummies dating as far back as 600 B. C. were found wrapped in Indian muslin of the finest quality. We also find the Elder Pliny complaining in the Roman Senate that vast sums of money were annually consumed in their trade in articles of luxury and fancy with India. There is evidence, says Mr. Madan Mohan Malaviya in his *Minute of Dissent* to the Report of the Indian Industrial Commission (1916-18) that Indian steel of the finest quality was used by the Feudal Aristocracy in Europe during their crusading expeditions. Coming down to the eve of the present industrial era we

find Indian muslin of the finest quality providing the fashionable trossseau of the aristocratic ladies of France and England. Indeed Indian steel and other materials of ordinary necessity to the very highly artistic perfection of her silk and linen fabrics which went to make the fashionable underclothing of the ladies of the French and British courts, were all prized by the westerners, which they bought from the Arabic middleman who used to supply the trade-link between India and West. When the East India Company came to this country, it was with a view to appropriating to themselves the profits of the middleman by eliminating the the Arabic trader from the then Indo-European trade organisation.

With the changes consequent upon the Industrial Revolution in England, however, this position also shifted considerably. Due to the reorganisation of British trade under the new Industrial regime India had, for the sake of British manufacturing interests, to gradually abrogate her own manufacturing activities and degenerate into a purely agricultural continent. This had to be done, as India was to have been the market for the huge amount of manufactures turned out by the new British factories on the one hand, and on the other she was also to have to supply the raw materials for the feeding of those factories which England herself could not raise. In fact the Indian continent become a huge dependency to our British masters whose every ounce of energy was to have been concentrated in the raising of the raw materials for the British factories, to be re-exported after being transformed into finished commodities for their consumption in India and elsewhere. The value of India was then gauged to our masters by the

amount of raw materials she could raise and the amount of British manufactures she could consume.

It was therefore why our masters always systematically opposed every move that was calculated to shift India from the position assigned to her in the economic scheme of the British Empire. Indeed there is no justification for Mr. Pillai to suggest that it was due to the benevolent influence of our British masters, and the security offered by their strong Government, that India resumed the work of her industrial self-development from the state of incipient disorganisation to which Indian commerce and industry were inevitably consigned during the break up of the Moghul Empire.* There is abundant testimony that the Directors of the East India Company systematically opposed every attempt to bring India back to her original stage of industrial prosperity. In their letter to Bengal in 1789 the Directors of the East India Company proposed that the every endeavour should be made to dissuade the Indian artisans from the production of finished silk, and that the production of raw silk should be encouraged, and also that the silk-winders should be prohibited from working in their own homes and be forced to work in the Company's factories.

But the introduction of the Railways, which was admittedly done with a view to increasing the efficiency of this position of affairs was the one fatal blunder which re-kindled India's industrial ambitions and finally enabled her to realise this ambition to a certain extent. Though primarily yet an agricultural country with more than

* *Economic Conditions in India* by Padmanabha Pillai.

THE SICKLE AND THE HAMMER

eighty per cent of her population directly dependent upon the soil for the source of their existence, India's industries (including the Railways) employ to-day a total labour force of nearly 1,500,000.*

II

With the opening of the new economic era with the Industrial Revolution, a complete change came about in the economic organisation of the community. During the pre-industrial era the economic organisation of Europe was not such as to create rigidly defined classes with a definite conflict of interests. The journeyman could then with a little accumulation of experience and skill pass on to the position of the master, and the master in his turn to that of the Capitalist Merchant Undertaker with a little accumulation of skill and capital. With the inauguration of the factories, however, the position completely changed. With the intensely fragmented division of labour consequent upon the evolution of the machineries, skill became absolutely valueless and more capital became necessary than the master could ever reasonably hope to get together. From out of this position grew up a part of the almost mechanical equipment of the factories composed of humanity in the flesh and blood which is known by the very significant expression "Labour." Just as the mechanical equipment of the factory could never hope to go ever so slightly beyond their assigned position in the scheme of things, even so the labourers became, under the new arrangement, condemned to live and die as labourers, without the slenderest possibility of ever rising above.

From this dependent position of labour naturally grew up exploitations of their reasonable interests and legitimate dues, and it was with a view to protecting itself from such overt exploitation that labour first organised itself. But in this organisation labour found not merely an instrument to effectively protect itself from the caprices of the employer, but even saw the mirage of a possible future labour-*raj* with its employer in just the position occupied by itself now. From this gradually grew up the conflict which is still raging on with unabated fury practically throughout more than half the modern world. Now the employer successfully puts down a rebellion, now labour gains a few points and although the employer still holds the trump in his hand in this unequal fight, it is difficult to foretell how it will end, or if it will ever end at all. In the meanwhile, however, this conflict is marked with an almost incalculable waste to the human society all the world over.

It has already been stated that India employs at the present moment a labour force of approximately 1,500,000. But the most peculiar feature of labour supply in this country is as is well-known, that nearly 90 per cent of this 1,500,000 have very definite and intimate interest in the land they mostly own, and are not purely dependent on employment in the factories or the Railways for a means of sustenance. This considerably confused the issue so far as the position of labour is concerned in the economic organisation of our country. This interest in land divides the attention of the wage-earner in the factories between his wage-earning employment and his own independent occupation as a cultivator. The result is that though there is a considerable difficulty

* Report of the Royal Commission on Labour in India.

in keeping up the labour supply in the factories at the required level on the one hand and a definite impediment to both industrial and agricultural efficiency on the other, there has not grown up a class in this country wholly dependent on factory employment and hence solely subject to the capricious whims of the employer. That is to say, that although as factory wage-earners they are to a certain extent subject to the exploitations of the employers, they are nevertheless free men as cultivators. The sense of conflict and mutual exploitation has not therefore so keenly developed in this country between the manual worker and his master, as it has done in the Occident. Connection with land provides in this country just the support and the insurance that the western labourer lacks, and this insurance has so far proved a fairly cogent argument against the development of that overt exploitation which has been the root cause of the class conflict that has developed under the fascinating name, "Labour Problem." Besides, in regard to their agricultural pursuits, the Indian labourers have, however remote, some chances of rising beyond their present station in life, and that naturally reconciles oneself to whatever exploitation there may be in the Indian atmosphere. And the talk of Labour Problems are problems that lie just now in the imagination of rank idealists or are bolstered up by the more clever and self-seeking diplomat.

But that is no reason why we should turn a blind eye to the real problems of our country's industrial and agricultural future, which, whatever they may be, are nevertheless of very serious proportions and nature. From the foregoing analysis it will be evident that a tragedy besets the life of both the Indian

cultivator and the Indian industrial worker, the tragedy of a mixture of incompatibles. In fact the whole system of the economic and commercial organisation of our country is threatened with this tragedy. On the more or less mediaeval system of economic organisation of this country, with the remnants of the old feudal aristocracy still going strong in most parts of the country, and alongside of it, has been introduced an industrial system which is more or less completely modern in its outlook and methods. And it is no wonder therefore that at this stage both industry and agriculture should suffer from the hampering impediments that inevitably bar the progress today of either industry or agriculture or both. The time has come when our people are clamouring for a definite alienation of the industrial worker from the land. With the daily increasing fragmentation of the land holdings and the increasing difficulties in the supply of labour for our industrial requirements, the position has become such as to necessitate even such a drastic step. Production on the land is not nearly enough to support the cultivator, and the industries are pulling on an almost miserable existence in a moribund state, leading, naturally, to a continual deficit in both our agrarian and industrial budget. Some formula has to be found out immediately to obviate these impediments in the way of India's commercial progress. The paths that lie ahead lead to two different results. Either that India must follow in the footsteps of the West or that she must go back to the gloomier days of mediaeval history. If India must proceed in the beaten track of Europe, she would no doubt invite all the conflicts and all the bitternesses of the modern class warfare which she has so far

been able to avoid more or less. Going back to the darkness of the past ages is equally fraught with the much graver danger of annihilation. Or if we go on as we are doing at present, land will still further be fragmented, agricultural produces will go down even further, industries will continue in the old moribund state and the already poor people will still further be impoverished.

The real state of the present Indian economic situation, as I have endeavoured to indicate in the above lines, paints a very dismal picture indeed, and, as Mr. Nalini Ranjan Sarker said some time ago, the increasing indebtedness of the Indian people due to their increasing poverty will conceivably lead in the very near future to the position, where the cultivator will be reduced by his poverty to give up his title to his land and be compelled to hire himself out and accept the only option of being a mere wage-earner on the land which has been formerly his own. In such a contingency the problems of the future Indian Labour will be even more complex than the present European Labour Problem, and the conflict much more keen between the two vital sections of the productive community.

In fact the country faces a very grave crisis today, and unless some step is immediately taken to avert this, a terrible economic nemesis will inevitably overtake the whole people. Extreme caution will no doubt be

required to deal with this question. One single false step at this juncture, and there will be just the catastrophe which would be difficult to avoid. The time has come when we have to find out once and for good if we can hit upon a solution of these very serious problems all our own to suit our own special requirements or if we are doomed like the rest of the world to follow in the beaten track of a deadly struggle for supremacy and mutual exploitation between two vital sections of our own community, and allow it to continue its ravages on the society eternally as it is apparently doing in Europe.

In conclusion, I must admit that I have endeavoured to present the problems of our present economic organisation as they appear to me, and my intention is not to offer some glamorous panacea for their solution. Some solution will have to be thought out, and thought out without delay. I can only hope that better and bigger brains are busy formulating their schemes of our economic and social regeneration. I shall feel thankful if however I have in any way been able to present the problems in their proper aspects and true colours and have been able to rouse the minds of my countrymen to a consciousness of their real implication. In the words of a great Frenchman, I propose nothing, I dispose nothing, - I mere endeavour to expose.

Policy-holders—The Best Medium

By PROVAKAR MITRA, B.A., B. COM.

As days are getting on at present it is becoming extremely difficult for business-houses to keep up their goodwill in tact, much less to speak of maintaining their former strides. People in general as also the market both betray symptoms of unusual susceptibility to financial nervousness. It has therefore become incumbent upon the business houses to remain always on the alert, to gauge in advance the trend of the market and to nurse their good-will with due care and attention. Advertisement has in this respect immense possibilities. It provides a link between the producer and the consumer, which the producer in these days specially has got to strengthen by constantly telling the consumer that he is there steadily progressing inspite of the present slump. The Insurance Companies being producers of specific utilities have more than usual necessity to avail of the services of advertisement in this direction. They have as well got to appeal to their customers old, new, or prospective to the effect that they are recording progressive success in as much as the staying and sustaining power of insurance has on experiment ably stood the acid test of the present depression.

But this matter of publicity as much depends upon the selection of the medium as upon the preparation of the copy. The medium has a reference to the area of circulation, while the copy points to the intensity of appeal. The medium constitutes the

body which carries the copy, the soul of advertisement. The medium is the mouth-piece but the copy is the voice. The effectiveness of advertisement therefore presupposes a suitable combination of their respective virtues in an admirable manner. But in case the medium happens to coincide, or be identified with the copy the results are expected to be more than satisfactory. And this is the case with regard to advertising insurance through the policy-holders. The technique of insurance advertising has of course developed in modern times so much so that its productive capacity earns very good remuneration in other countries. But this peculiar method of publicity through the medium of customers deserves fair consideration.

It is claimed under this indirect system of advertising that it produces the immediate effect of a direct approach, but without its rigour. Approach has valuable significance in the code of insurance salesmanship which, when it becomes faulty in any way, spoils the whole affair and results in the actual loss of the prospect. But in this case approach is made by an old friend to an old friend, and what is most important is that the prospect is free from the uneasiness of receiving an insurance agent. Heartly welcome is always accorded. The subject is then introduced with so much sympathy and goodwill and with such personal force in regard to insurance benefits received and experienced that the best

technique of selling insurance will not be able to create that sort of lively spirit of domestic discourse. And if the man possesses the wit of winning over it is sure that he will secure a solid case for his agent.

The beauty and strength of such advertising through policyholders lies in the medium coinciding with the copy as mentioned elsewhere. If the agent is a productive one with influential clientele the medium in this case is very likely to command respectable attention. It will have as large a circle of acquaintances as the one in first class periodicals. But the force of influence is persistent in this case whereas it is lacking in the other. The copy in the periodicals is a dumb representation of one fact only, but here we have a copy alive with interest capable of modulating and manoeuvring motives to a successful end. The chances are therefore more favourable in this case of closing down a policy contract than in the other.

It is the common practice with the agents to attempt to secure new cases through their old clients. They themselves very often meet with peculiar difficulties in coping with personal anti-insurance notions of a large number of prospects. The latter hide their shortcomings before them and somehow or other manage to avoid their approach. But by successfully utilising their connections with the old clients the agents ultimately make them staunch converts of insurance. For intensive cultivation this method of

canvassing is more often successful than not. This system maintains large scope for elasticity. Beginning like a small ring of policyholders the circle enlarges till it coincides with the territorial jurisdiction. It has greater possibilities in these days of economic distress when the insuring people feel hesitating to commit to any insurance agent.

Questions may be raised as to how far the agents' work is responsible for this kind of new business. It is true somebody else is made to do the agent's work in this particular system. But it is nevertheless true that the agent's superior quality is hereby brought to work along with his ordinary or average merits. He must secure firm control over his clients by record of his service and utility so that he may prevail upon them in getting his own work done by them. It is no mean quality of a man in whatever position he might be to be master of this art of exacting work from others. The more successful an agent is the more conversant he becomes with human psychology and the more power he acquires in accomplishing his own ends.

But the real issue in this case must not be confused with ordinary insurance salesmanship. It is the advanced stage of the latter that develops a business-getting technique of its own. It is a system of educating the clients in favour of introducing new prospects to the agent, and advertising insurance there-through.

A Survey of Indian Insurance*

By NALINI RANJAN SARKER

It was almost a year ago that you conferred on me for a second time the great honour of electing me President of your Association. It was a position which I accepted with no little diffidence as I was only too conscious of my own limitations and also of the great responsibilities that devolved on me, for, gentlemen, this Association represents the accumulated savings of over 6 lakhs of our people, aggregating to about 22 crores of rupees, involving policies worth about 100 crores. In human service and social worth the value is inestimable. These are great responsibilities of both individual and national significance, and I am proud to have been at the helm of such an important organization over the past year. I esteem it, therefore, a high privilege to appear before you today on the occasion of this Annual Meeting to review the past and envisage the future.

While service to our fellowmen and in particular to our fellow-countrymen, is the broad aspect of life insurance, the special object of our Association is threefold, first, to win for the Indian offices their rightful place in this country; second, to compile statistical data for the guidance of offices working under the special circumstances in India with regard to mortality uniformity in organization and claims settlement; and third, to standardise or bring about some measure of uniformity in business practice, particularly with reference to the terms and conditions of field workers, medical examiners and policy-holders. I should like to have been in a position to say that we had been eminently successful in these directions, but if I am unable to make such a claim on this occasion it is only because our Association is still young.

But despite its short existence, our Association can lay claim to a considerable measure of progress on the whole. That is encouraging so far as it goes. But without indulging in vain regrets, I must confess to a feeling that our achievements over the period of my stewardship have fallen short of my expectations. Much of what might have been achieved, still remains undone, though I am sustained by the thought that even then our contribution to the security and happiness of thousands of our people, to their economic welfare and thus to the benefit of the State, is considerable.

There is, perhaps, no sphere of activity in India in which our countrymen have made so much progress as in life insurance. It may be said that we have safely passed the stage of pioneering and have proved our worth beyond any manner of doubt. To my mind, our success is due, in large measure, to a realisation of the social value of life insurance and of its practical worth in national economic regeneration. And this realisation places on us a responsibility the greatness of which is only partially appreciable from the total number of lives insured and the volume of insurance carried. They do not give the entire measure of our service to humanity. Realising, therefore, the importance of our responsibility it follows that if our Association falters, or falls behind by a step, in its forward march it will fail to that extent to fulfil our obligation to the ever-increasing body of Indian insuring public. But as I have said before, we are fully conscious of our obligations and our endeavours are not lagging. Our objectives though yet at some distance are not impossible of attainment, and that is my firm conviction. This faith is not merely the outcome of a fond hope, but is based upon solid indications. The world-wide depression did not fail to touch the shores of India, and when every horizon of every sphere of human activity was dark, the

* Presidential Address of Mr. N. R. Sarker delivered at the Annual General Meeting of the Indian Life Offices Association held at the Hindusthan Buildings, Calcutta, on the 24th February, 1933. —Editor.

of life insurance in India was not without its ray of light. The business figures of Indian Life Offices generally have proved to be an outstanding source of encouragement. They have furnished striking evidence of the sound common sense of our people, of their firm courage and abiding confidence in their own national institutions and in the future. Thrift guards the Indian home to-day, perhaps in a manner it never did before. Such thrift is not merely the outcome of abject want, it is the conscious realisation of productive economy. Our Association has not failed to study this sign of the times, a profoundly hopeful sign, as it is an incontrovertible fact even under the tremendous strain of depression. As you are aware, there has been an increase of business among the Indian life offices, when in every other sphere of commercial activity the business has decreased during the depression. But while we appreciate the insurance-consciousness of our people and rejoice in our Association's endeavours so far, we cannot lie back on our oars but must proceed to devise means for further progress in the attainment of our objects. Our problems are many and with your leave I would refer to a few.

One of the chief factors that stand in the way of an adequate development of Indian Life Insurance business is foreign competition. As in other spheres of activity so in life insurance foreign companies have the advantage in being first on the field and having during that time expanded their business, accumulated funds from trading in their own countries and altogether so entrenched themselves as to make it extremely difficult for us, arriving later, to compete. Not only so but an unwarranted distinction is made between them and indigenous companies by Government in that they are not called upon to submit the same returns nor to give them any deposit.

Most foreign companies also are of a composite character, combining life and other insurance, while the majority of our companies are only life companies. There also the foreign companies have the advantage. The problem of meeting this competition is no new feature.

It has been with us all along and the figures of the proportion of business show to what a great extent we have succeeded so far. The latest figures show that Indian Insurance Companies did over Rs. 15½ crores worth of new business while foreign companies did Rs. 11¾ crores. This is certainly encouraging but we must realise that as we progress, competition becomes more and more severe, with the result that we are called upon to redouble our efforts and strengthen our methods. Let me assure you that at once the greatest advantage to foreign companies and the greatest hindrance to indigenous companies is found in the acute internal competition among the latter. We have to learn in much greater degree the lesson of combined action. We must combine to meet a common menace. Some of our companies leave nothing to be desired from the point of view of security and efficient organization, but it profits them little in the long run to enter into a cut-throat competition with indigenous rivals or instead of putting forward their own merits to denounce their rivals. The point is that such methods spoil the confidence of the insurable public and as insurance is ultimately a matter of confidence the range of business for all indigenous companies becomes restricted where they ought to have expanded. We suffer, and the foreign companies steal a march on us.

For the same reason, I strongly deprecate the establishment of new life offices except on absolutely sound economic foundation. There is a vast unexplored field for insurance in India, but new offices must realise the limitations. One does not deplore healthy competition and the extension of insurance service to the public, but if it comes merely as an addition to those already engaged in a severe struggle for existence it cannot be regarded as a healthy growth. Equally to be deprecated is the mad race we sometimes see to achieve a great volume of business at the sacrifice of quality or its remunerativeness. In the early stages of the struggle when we had to make our way against foreign insurance companies, it was perhaps

necessary to capture the imagination of our countrymen with big figures, but the time has now come to scrutinise the nature of work in a more effective manner, and while new business is, and must continue to be necessary, this must be secured on an economic and efficient basis.

It may not be immediately apparent but we are the guardians of the future and we must in no way betray the trust reposed in us. Our mistakes are fraught with serious consequences to future generations and we must be careful to make no mistake. We have as indigenous companies a duty to perform to the country and the country has a duty to perform in supporting us. We appeal to and have a claim on national sentiment, but that claim can only be justified to the extent we can win the confidence of the country by the soundness of our concerns and methods. Therefore it behoves us to be extremely cautious and constantly to improve the efficiency of our various departments, to exercise the utmost care in organisations on scientific lines for better service to our policyholders. Now, I know you realise the necessity of such organisation, and while you are already conducting your business on sound scientific lines I cannot restrain my anxiety to see Indian Insurance occupy a much more important and proud position, and that is why I lay so much stress on this consideration.

Passing on, I should like to touch on an aspect of insurance work that requires our close attention. The agency or field organisation has been undertaken so far along lines indicated by the foreign offices working in India and a series of exclusive feudal hierarchies have been created in many cases. It is doubtful how far this method of creating a number of intermediaries has been to the benefit of the Insurance offices, the policyholders, and the primary fighting forces in the field. Indian companies are increasingly feeling to-day the necessity for creating more or less, a permanent force of wholetime Insurance agents and field workers. It would to my mind be better to institute a direct field organization under the supervision of a permanent trained staff of field

inspectors. Such an organisation would attract a better and more responsible class of workers and improve to a great extent the quality of business obtained. It would result in better selection, fewer lapses, more revivals and be of inestimable worth in educating the public in the advantages of insurance and in insurance methods.

There is, again, pressing need for co-operation among Insurance Offices in standardising medical examination, simplification and standardisation of claim requirements, in preparing statistics and collecting various actuarial and business information and in decreasing the cost of procurement. In appealing for co-operation on these lines I would stress the necessity of our developing a sense of loyalty and courtesy towards each other, in the general interest. The field is wide and there is plenty of room for all to live and prosper on the lines of healthy competition.

I have been at some pains to study the distribution of new business among ourselves and foreign companies during 1930, and some of the companies struck me as being so small that they could hardly be said to be on an economic basis. They could hardly afford to maintain an efficient organisation or even to defray their expenses with any ease. How do such companies expect to survive the severe competition of to-day and I should like to place before them the advisability of amalgamations and mergers not only to strengthen their own position but also the position of Indian insurance as a whole. The public are not re-assured by their precarious existence and the course I suggest would re-act advantageously by increasing public confidence.

Another problem that challenges our attention is found in the figures of lapses. The total sums assured and bonuses which lapsed during the financial year ending in 1929 was about Rs. 5,32,56,000 against the corresponding amount of about Rs. 6,97,16,000 during 1930. My estimate of the lapse ratio on policies effected in 1930, on the statistics at my disposal, is not less than 20 per cent. It is a situation that

calls urgently for improvement and while it is a question for individual companies to decide, our Association may consider whether they could not assist with any useful suggestions.

The question of bonus too in my opinion should deserve very careful consideration. To-day, the rate of bonus is the most important element of competition. The result is that we are all over-anxious to declare as big a bonus as possible. I am, however, strongly of opinion that, before fixing the rate of bonus on the strength of the periodical surplus, we must feel responsibly confident that the bonus rate is completely in keeping with the bonus-earning capacity of the premium rates, and that there is also a sufficient reserve in the life assurance fund and other necessary reserves to provide at least a substantial proportion of such bonus in coming years. The maintenance of a bonus is a moral liability and once we fail to fulfil that liability, or once it is felt that the declaration of a high bonus is not justified under the circumstances, the consequences will be disastrous to all those concerned in building up this business of life insurance. I do not make these remarks as a reflection on the working of any particular institution, indeed I feel we all realise our responsibility in this respect keenly enough not to overreach ourselves in the declaration of bonuses. The higher the bonus we go on declaring, the more expensive the insurance cover we make. In a poor country like ours, it is urgent for us to make the cost of insurance as cheap as possible, to extend the insurance cover to an increasingly larger section of our population, and we ought to make a combined effort to achieve this end.

I am afraid I have already taken up much of your time, but you will allow me to make passing reference to a few other matters. One of these, which should command our attention is a proper investigation into our mortality experience. The past investigations were based on too limited data and the results also are now out of date. The recent experience published by the

Oriental is very interesting but in that case also the results are not based upon as extensive data as we should like. These considerations lead me to suggest that it is time an investigation were set a foot into the combined mortality experience of the Indian Assured lives, and also to evolve some kind of continuous statistical investigation machinery for all the member companies who are prepared to co-operate in such an investigation. If our Association could take an initiative in this direction it would earn the gratitude of all of us in no unstinted measure.

There is an important matter which was exercising my mind for some time regarding the extension of our services in the cause of humanity in general and our policyholders in particular. We recognise that we are directly rendering the services of insurance to them and indirectly helping the national economic development by our judicious investments in that direction. We are now at an advanced position. In my opinion the time has come when we can at least make an experiment in the direction of providing better health advice, medical relief and education to our countrymen and the policy-holders. The Indian Life Offices, particularly the members of our Association, now command an excellent and wide-spread organization throughout the country for the purpose, and if we desire to take advantage of those facilities it will be easy to effect our purpose. Apart from the question of rendering a valuable service, suppose that the policy-holders lived just one year more, as a result of the medical aid and our health propaganda than they would otherwise do, it would mean a very considerable gain to the offices. Then by pooling the medical resources of the members, it would be possible to effect improvement in a number of ways that would assist us in the selection of lives. It is also likely to improve Indian mortality experience. The method and measures for the purpose may be several and varied; it is not my intention to formulate any scheme, but I hope you will keep the suggestion in view and try to evolve some scheme to suit our purpose. Perhaps something on the lines on which the Metropolitan Company of New York is working will be found acceptable.

Gentlemen, I am aware that I have taxed your patience to the utmost, but as we are all concerned with the welfare of life insurance business, that of our Association, not to speak of the policy-holders and workers, I feel confident that I would be excused. Once more, gentlemen, permit me to thank you heartily for the honour you conferred on me and for the confidence and co-operation you extended to me. To our Association I wish unbounded success.

The Fundamental Principles of Soviet Economy

By Dr. S. C. ROY

My article in the *Liberty* on "Through the Five-Year Plan of Soviet Russia" has been widely read all over the country and I am glad to notice that it has been extensively quoted in many daily, weekly and monthly Journals and translations have also been published in several vernaculars. I have also received enquiries from several places about some more details of some aspect of the Soviet Five-Year Plan. The interest created by the article clearly proves at least that we are anxious to study the developments of the new economic principles in another country, which "if successful," will certainly revolutionize all modern theories of economics. I am not an economist myself. I have tried to give a brief summary of the progress and development of the Five-Year Plan to the Indian public from some published literature which are perhaps not available in India. There is no doubt that our political and economic troubles are forcing the educated people of India to think very seriously about our own position in the world and any new idea or theory, appeals to our mind because we at once try to apply that to our own position and see if that can be of some use to us. The subject is practical only from that point of view otherwise it is an academic affair.

However, I have received many enquiries and to satisfy the kind readers, I propose to write to-day on "The Fundamental Principles of Soviet Economy." From the correspondence I have received I find that the fundamental

principles have not been properly appreciated and to understand the details of the scheme we must know as a preliminary the basic principles and how those differ from the ordinary capitalistic theories. I may mention here that there are many useful publications on this subject in English, published with authority from the Soviet Government to help foreign students of economics and political thinkers. The information given here are compilations from such literature.

To begin with we must be clear about the differences between the Soviet National Economy and those of Capitalistic Economies *i.e.*, the economic theory on which our own economic life mainly depends. There is a good deal of misunderstanding about it and many prominent writers have willingly or unwillingly committed serious mistakes in interpreting it truly or adequately. It is just possible that they have approached the subject from a very different angle and therefore the conclusions have been incorrect from the point of view of those people who support those theories.

The first important difference between the two systems is the steadily increasing importance of 'planning' in Soviet Russia. Although considerable part of the agriculture of U. S. S. R is still in the hands of millions of independent peasant-holdings, the State planning organisations influence them through various channels and means. The Government encourages certain crops at the expense of others by preferential taxes as may be

required by the State according to planned national economy. In many cases the State fixes the prices of these commodities before actual production, and thereby exercise control over the producers. The State is the biggest purchaser and therefore it is comparatively easier for it to exercise this control, particularly when the State advances financial assistance to these producers.

The small-scale individual producers are, however, comparatively few at present and that has ceased to be the economic unit. "Since 1928-29 the small peasant-holdings have, to a considerable extent, been merged into various kinds of co-operative groups; collective farms (*kolkhozi*) of the simplest kind, associations for the common cultivation of land with collectively owned means of production on individually owned fields; "artels" with socialized means of production and collectively owned land, and finally the most highly developed form of agricultural communes. These collective farms (*kolkhozi*) are in a position to use complicated agricultural machinery and chemical fertilizers, and to enlarge the area under cultivation; they already draw up definite plans of production in conformity with the national plan of production. Together with the growing Soviet State farms (*sovkhozi*) there are the agricultural organizations which can be operated entirely on the principle of planning and which are less exposed to the chances of crop failures than the small peasant farms. The inclusion of agriculture in the planning system by means of the State farms and collective farms, and by the system of advance contracting for the agricultural production of the individual farms, fundamentally changes the character

of agriculture and thus differentiates it sharply from that of capitalist countries. This planning in agriculture has been taken up only in the last two years. In 1931, 42 million Hectares or more than a quarter of all peasant-holdings and in 1932—more than half of all peasant-holdings will have been merged in various kinds of agriculture co-operatives. Industry, transportation, commerce and credit systems are all based entirely on the system of planning. All heavy industries are in the hands of the State. The State and the Co-operatives account for 90 p. c. of the retail and 99.5 p. c. of the wholesale trade."

"According to capitalistic theories and practice the guiding principle is not the growth of productive forces or the improvement and welfare of the whole population but merely certain groups of population. The interest of that group may not coincide with the interest of the entire population—very often it is in direct opposition to them. The Soviet State is a State of workers and its policy is based on the interests of the whole working population. To carry out the planned economy—nationalisation of land, larger factories and plants, transportation, banking and credit system and the monopoly of foreign trade are preliminary equipment. This include the production programme of every province or district of the U. S. S. R. and down to every individual economic enterprise." They fix the normal production of every factory and of every plant, establish the cost of production, the number of workers, the wages, etc. This is not done by some bureaucratic administration, but on the basis of the broadest public initiative of all those engaged in production, from the director to the unskilled worker. The broad

masses of workers and employees take an active part in drawing up and discussing these annual plans, the trade unions, the co-operatives, the press, in other words, the entire Soviet public opinion also participate.

The Five-Year Plan is not a theoretical or statistical enterprise but a plan of practical reconstruction on the basis of industrialisation of the whole economic systems of a purely agricultural country to that of an

industrial-agricultural country—with the express idea of strengthening the socialist elements at the expense of the capitalist elements in the economic system.

The Five-Year Plan provides for a considerable increase in the contribution of industry to the national income. The following table illustrates the changes in the structure of our economic system due to the Five Year Plan :

NATIONAL INCOME (NET PRODUCTION) OF THE U. S. S. R
(Value in millions of rubles based on prices of each year)

	National Income		Percentage of National Income		Increase	
	1927-28	1932-33	1927-28	1932-33	In Mill. Rbls.	Percent- age.
Agriculture	11360	17090	46.1	39.3	5730	50.4
Industries	7860	14860	31.4	31.2	7000	89.1
Building	1590	3680	6.4	8.5	2090	131.4
Transportation and Commu- nications.	1260	2590	5.1	6.0	1330	105.6
Profits from Trade . . .	2730	5200	11.0	12.0	2470	90.5
Total	24800	43420	100.0	100.0	18620	75.1

The Five-Year Plan provides for an increase of the national income by 75.1 per cent (figured in the prices of each year with a substantial reduction in cost prices in these 5 years). The total production of industry is to increase by 89 per cent, that of agriculture by 50.4 per cent. The contribution of industry to national income is to increase from 31.4 to 31.2 per cent, that of agriculture is to be decreased to 39.3 per cent. If transportation is added to industry, the share of agriculture in the national income will stand at 39.3 per cent, that of industry at 40.2 per cent.

We should stress that in the industrial field the heavy industries, i. e. the production of the means of production, are being

developed more rapidly than the light industries.

The Five-Year Plan also provides for a considerable improvement in the well-being of the workers in the towns and in the country, an increase in the real wages of industrial workers by 71.2 per cent, a substantial increase in the urban and rural population included in co-operatives, etc.

A very important and interesting supplement to the Five-Year Plan is an inventory of the entire financial means of the country and their redistribution on the basis of a unified financial plan, which includes not merely the whole budget of the Union, but those of the federal republics, the local budgets and the financial resources of the

insurance organizations (social and State insurance) and of the State credit system, and the financial means of the large economic enterprises."

Our readers should not think that the Plan for intensive industrialization and the attempt to transfer such a big agrarian country to an industrial country will in any way effect the trade of the country. The Russians claim that on the contrary it will increase their trade with outside world. They think that instead of being an object of world trade *i. e.*, dependent on world trade, they aim to be a partner in the world trade.

The monopoly of Foreign trade assures economic independence of the trade of the country. The trade balance is manipulated in such a way that exports pay for imports. They claim that this planned organisation of foreign trade is saving them from the economic crisis from which the capitalist

countries often suffer and are at present suffering. The planned economy has saved that country from the effect of the present-day economic depression and crisis.

We in India do not exactly understand how such a huge country like Russia, almost of the same position as ourselves in education and also in the national income can plan out such a scheme as the Five-Year Plan and think of fulfilling it within the specified time. It is difficult for us to express any opinion excepting that it is almost a modern miracle that is being performed and the developments ought to give us food for thought. 1932 is over and the First Five-Year Plan has been completed with great success. Even its worst enemy cannot but admire the originators of the scheme for the actual achievement. The whole world will now look forward to the plans of the Second Five-Year with very great interest.



Housing Problem and Insurance Companies

By BHABATARAN GUHA THAKURTA



Bhabataran Guha Thakurta

If Insurance is 'indemnity against loss,' people are practising insurance everyday and in every sphere of life. In earning money, in the arrangement of cooking and eating, in styles of living, in religion, in politics and in every other department, the spirit of Insurance exists. So amongst other future provisions, owning dwelling house is no less an important kind of Insurance. There is no denying the fact that people without work and without possibilities of means of living are quitting villages and rushing towards towns. The psychology behind this migration is that man cannot starve, must live and for that must eat finding thereby means for the object. Towns are getting heavy day by day and so housing problem has become a part of essential investigation and solution.

Amongst different classes of people, those who have to live with wife, children and other dependants, require a permanent house most. In our country there is no such association which can invite people to come under its membership for future ownership of houses by paying what they were so long paying as rent and in some cases somewhat more. As it is plain truth that middle class people as wage-earners, salary-earners, and as earners from independent works, crave for dwelling houses.

They desire a fixed place more than anything—even than eating and drinking. I should like to suggest this only that there are possibilities how associations with the idea of giving relief in respect of solution of housing problem, may spring up and flourish, thus doing immense good for the suffering humanity. Insurance companies jointly may help the cause to a very great extent. As custodians of widows' and orphans' money they may raise objection as to the safety and better and sure return of money. But if the authorities of the Insurance companies think over the matter seriously, with their mind wide open, giving up their orthodoxy in the stereotyped method of investment, they must find that this investment is not only the surest and best but also will be doing proper justice to the people whose money they are authorised to handle. Mr. E. B. Skinner says thus on this question.

"There are many plans for building and loan associations, but most of them require

a small monthly or weekly payment, which in the case of borrowers provides for the payment of interest and for the establishment of a Sinking Fund which will extinguish the indebtedness when the stock matures, and in the case of investors--constitutes a savings account which is augmented from time to time by the dividends which may be declared out of profits earned by the association. The sources of profits are interest earned on loans made to borrowing members ; gains due to the difference between the book value and the withdrawal value of stock belonging to members who retire before their stock has matured ; fines assessed upon members who may have been delinquent in the payment either of dues or of interest ; fees charged on new business ; and, finally, any undivided surplus that may have remained over at the last distribution. (One other source of profit frequently utilised by loan associations is the difference between the interest received on money borrowed by the association at a lower rate than that charged to borrowing shareholders, and the interest paid on loans thus made. The amount of such loan is usually limited by law. . .)

The net profits are the profits remaining after all expenses of conducting the business have been paid. The net profits are sometimes distributed on the basis of the book values immediately after the last distribution of profits, and sometimes the basis of distribution is found by adding to the book values, immediately after the last distribution, a portion of the amount paid in dues since the last distribution. The latter plan is more equitable, since its shareholder's profits are more nearly proportional to the amount of money he has invested. The former plan will give a slightly higher rate of profit."

If Insurance companies are incorporated in building and loan associations or building societies (whatever name may be given to these undertakings) a plan may be suggested to the best interest and safety of both the incorporating companies and shareholders or members, as the case may be. A reasonable percentage of the total expense for land and building may be made to advance by the proponent desiring to have a house constructed by one association. The nature of this advance payment may vary according as the party intends to procure land himself or wants to get it procured by the company to his choice. For the rest amount which, the company is to spend for the building, a proper security may be taken. The party is required to buy a life-policy of the said amount of money for such period of endowment as may be ascertained by the company. The ownership of the house will rest with the party but the house is not intended to be free from encumbrance unless the said money advanced by the company is realised with interest. The life policy in this case will save him in clearing off the loan after the endowment period, as well as, in case of earlier death.

But in majority of the cases, it will be found that people are not in a position to pay any amount in lump and nothing more than the actual rent so long paying. In some cases, of course, it may be possible to realise somewhat more over and above the rent. The question now is this--whether it is possible to make such arrangement so that the ownership of house may be secured and retained in course of time by paying the amount what had so long been spent as rent and if possible adding somewhat more. I can assure the public this much that introduc-

THE INSURANCE AND FINANCE REVIEW

tion of such a plan is quite possible and I shall deal with that elaborately in near future. If the poor are not benefited, what is the utility of scheming and vociferations in its support? As one aspect of Insurance is promotion of corporate thrift, is it not the duty of the Insurance companies to see and devise means so that people may be educated in the like manner and lead comfortable life? An Insurance company has served humanity to a great extent when it has been able to creat a genuine atmosphere of saving and curtailment of unnecessary expenses. Building societies' service is no less important. By the introduction of various feasible schemes and plans, they are at the same time meant to propagate the idea of saving, telling people to capitalise the rent adding a little more for the attainment of a suitable house that cannot be built or bought without lump. In doing so, the above societies are to practise amortization as well as suggest means for the purpose.

(Amortization means the adoption of method for the extinction of interest-bearing debts by periodical payments.)

So capitalisation of rent from the side of the house-requiring members of the building societies and amortization from the side of the latter, are concurrent to make the object a success. Under this amortization lie schemes and plans with proper consideration for sinking and depreciation funds, so as to enable the societies to meet future crisis. What is most required is the honest and sincere triple alliance of representative bodies of the suffering multitude, building and loan associations, and Insurance companies in the co-operative basis. The application of the methods of organisation should be judicious enough, so much so that the common interests, more so the interests of the members, may not be jeopardized. I hope to discuss matters from different standpoints with suitable schemes and plans in my next article.



The Building Society Movement

By J. P. MOOKHARJEE, B.A., LL.B., A. C. A.

The history of Building Societies discloses a continuous process of evolution from the earliest forms of society, which actually built houses for its members, to the present-day investment and loan societies which do no actual building, but which play a greater part than ever before in the housing of the community. The Building Societies Act 1871, is still the main Act, but important provisions affecting the societies are to be found in a number of other statutes including the Building Societies Act 1894, the Various Property Act 1925 and the Companies Act 1929.

The primary object of a modern society is to advance money for the purchase of residential houses against an initial deposit of lump sum of money and a mortgage for the balance of the purchase price of the house which is going to be purchased. The supply of money for such an advancement comes from the investors and depositors of money in the building society. The depositors are paid a certain fixed percentage of interest (which rarely exceeds $5\frac{1}{2}$ per cent p. a.) on the investment. The borrowing members repay the loan advanced by weekly or monthly instalments; and interest is charged thereon at 5 to 8 per cent. p. a. on the decreasing balance. It will be seen, therefore, that the excess of income from the interests received over the payments to the investors, is enough to meet administrative expenses, rent charges, payment of taxes, appropriation for other funds and payment

of the balance to the investors as dividend.

In England, a Building Society functions in much the same way as a joint stock company, except that the statute definitely limits the scope of its operation, lays down strict rules regarding the custody of the deeds and documents relating to the securities of the societies, and also safeguards the interests of investors by making it a statutory obligation to appoint two auditors, of whom one must be a public accountant, to examine, audit and attest the annual accounts and statements, inspect the deeds and other securities of the society and report thereon in a prescribed statutory form.

The Commissioners of inland revenue of Great Britain (The income tax authority, as they are called in India) allow the societies the privilege of choosing to be assessed under either arrangement A or B of the British Income Tax Act; under both these methods of taxation all property in the society's hands as mortgages in possession is to be exempted, except as to grounds or lease rents if any. If assessed under arrangement B, the society pays income tax out of its own revenue and the investors and depositors receive the dividend and interest free of income tax; under arrangement A, however, Income Tax has to be paid by the recipient of dividend and interest just like any other tax-payer.

This is not all. The Central Government and the local authorities favour the society

by financial subsidy for every house built, and a very healthy and favourable public opinion supplies the regular and constant encouragement which is needed for a society to prosper. Care is taken both by the public bodies and the members to run the societies on up-to-date lines, and as a consequence methods of repayments of loan are frequently being revised, accommodations are always made for defaults of payments, and in the case of death of a wage-earner or removal of a family from one district to another, arrangements are made at the instance of the legal heir or the borrowing member for sale or transfer of the house to other intending purchasers or borrowing members.

Furthermore, Building Societies investments have been made all the more attractive by the fact that they have been put in the category of Trustee securities.

Building Societies are urgently required in India in view of the fact that the middle and poorer classes of people from the rural districts are coming to live in the industrial towns and cities and there is a definite dearth of accommodation in the urban area. The Building Societies can finance the prospective

house-owner against practically no risk. The building of more houses will create employment for architect and a brick manufacturer down to upholster painters, decorators and life, fire and burglary insurance agents. It will release capital from the hoards of the capitalists and cause the much-needed circulation of capital.

The nation as a whole will not only be benefited by the extra capital brought into in the money market but by better health and cleaner morals of the citizens, and by the beauty and splendour and the wealth of the newly built houses, the country will be inestimably enriched.

The scope and prospects of a well-planned project seems to be unlimited. The investors who are trying to find out some safe and remunerative channels of investments will simply "swallow up" the building society investments. Those day-dreamers who have been "building castles in the air" will in reality have houses built on the soil of theirs and their forefathers.

May the day of inauguration of a building society fast approach.



EUROPEAN INSURANCE INTELLIGENCE

(From Our Berlin Correspondent)

BERLIN, FEBRUARY 10, 1933.

German Insurance Review of 1932 and Prospects for 1933

The heavy economic crisis of last year has also been felt by the German Insurance Companies, *i.e.*, on the one hand, the decrease of the amount of business on hand has to some extent been a considerable one and consequently the premium income, too, but on the other hand, there is to be stated for some branches a satisfactory reduction of losses. Nevertheless the insurance companies have shown a very satisfactory power of resistance against the crisis, quite in contradiction to other industries, the fundamentals being the big reserves put aside just in time, the considerable sums written off as well as a cautious policy regarding dividends. In the last few weeks there appear to be certain symptoms for some industries to have already got over the lowest point of economic depression which must necessarily exercise its effects on insurance, too, and it is to be hoped that when these symptoms of economic conditions becoming gradually better have been felt and recognized to a larger extent, the general depression of mind will give way to a general feeling of hope which alone is the starting point for economic conditions becoming better.

Now as regards last year's insurance business in Germany the decrease of business is chiefly shown by an increase in the cancellation of policies which was already a

rather considerable one in the preceding year, this decrease of business has been felt further by the increase in the postponement of the payment of premiums and the delay in the payment of premiums which has especially been the case for agricultural insurance. Of course, the general reduction of prices has automatically caused a reduction of premiums and consequently of the total premium income which reductions could to some extent be compensated in the year 1932 by a reduction in the salaries and the cutting down of expenses of management.

For some branches, *e.g.*, Theft, Burglary and Animals insurance the figure of losses has been unfavourable, especially for the latter branch, whereas results obtained for Hail insurance were better than in the preceding year, the results for other branches being, however, more favourable so that taken as a whole the total result obtained can be said to be satisfactory. As regards Fire insurance, losses sustained for the first nine months of last year by the Fire Insurance Companies belonging to the Association of Private Fire Insurance Companies in Germany amounted to Rm. 65,6 millions as against Rm. 76,1 millions for the same period of the preceding year which means a decrease of Fire losses in respect to the sum insured.

The number of losses sustained last year by Third Party insurance has decreased in consequence of the decrease of business on

hand ; however, so far as the total amount of losses is concerned no adequate decrease is to be stated. The development of the Motor Insurance business has been influenced not only by the general symptoms of the crisis, but by the excessively high taxes on motor vehicles as well as by the increase in prices for inland fuels causing an increased laying on of motor vehicles. A great number of motorists who so far had a comprehensive motor insurance policy, are now having themselves insured against Third Party risks only, in order to save money. In comparison to the business of 1931 there is to be stated a decrease of business for Riots insurance, too, in spite of the unsettled political and economic conditions. Also marine insurance has had to suffer from a decrease of business, but taken as a whole this business can be said still to be satisfactory. As regards Life assurance the increase by new contracts could not compensate the decrease of business by cancellations of policies, etc., which lead to a decrease in the total amount of business on hand. Loans on policies have also increased further, but to no unreasonable extent. Nevertheless, Life insurance business can be said to have been satisfactory according to circumstances.

Now, as regards this year's prospects for the insurance business, it has already been stated in the beginning of this report that there are symptoms now of a certain revival of business and if, as is to be hoped, political conditions will return to a more normal state it can be expected that German insurance business will definitely have an adequate share in the general revival of business.

Fire Loss in Germany

Losses sustained during December 1932 by the Companies belonging to the Associa-

tion of Private Fire Insurance Companies in Germany amount to Rm. 6,630,000 on the whole as against Rm. 8,610,000 for December 1931 and Rm. 8,240,100 for December 1930 and 10,310,000 in 1929.

The total amount of losses is for the whole of last year Rm. 85,390,000 as against Rm. 103,630,000 for 1931 and Rm. 105,690,000 for 1930 and Rm. 141,840,000 for 1929. As will be seen, last year's losses are figuring much below those of the preceding years, however, in this connection attention is to be drawn to the decrease of business in 1932 as a consequence of the crisis and consequently the decrease in the premium income.

For January 1933 the total amount of losses sustained by Fire by the German Private Companies is Rm. 6,048,016 on the whole, which figure is bringing the loss curve to the level of November 1932. The comparatively stable loss curve of last month's might easily lead to premature conclusions. However, the dreadful catastrophe at Neunkirchen where immense damages have been caused by the explosion of a gasometer clearly shows how very cautious calculations have to be made by the fire insurance companies and to what extent all hopes for a favourable business result can be frustrated.

So far as the Public Fire Insurance Companies in Germany are concerned, the total amount of losses sustained by the Companies belonging to the Association of Public Fire Insurance Companies in Germany is for December 1932 Rm. 6,705,112 as against Rm. 7,103,071 for November. The number of losses was also lower last December than for December 1931, *i.e.*, 716 as against 7348.

The total amount of losses is for the

whole of last year Rm. 99,131,197 as against Rm. 120,810,758 for 1931. However in this connection the same remarks apply as made above, and is further to be borne in mind that building costs have gone down up to 30 per cent.

Insurance in Turkey

Before the war the insurance business in Turkey was entirely in the hands of foreign companies.

Only in 1911 there was founded the first Turkish Company, *i.e.*, "L' Union National" which is supporting itself on the "Union" of Paris. In 1917 there followed the "Turkey Milli" being amalgamated with the "Phoenix," Vienna and the "Munchener Ruck," in 1918 the "Compagnia Generale" (Assicurazioni Generali di Trieste) and in 1923 the "Orient" (Riunione Adriatica di Sicurtà). In 1925 there were founded the "Anatolia," a company of Turkish nationality, in 1929 the "Bos-Kurt" being united with the "Assurances Generales," Paris, and finally in 1929 the National Reinsurance Company which has for 15 years the monopoly for the Turkish reinsurance business.

Apart from these 7 companies there are still working in Turkey 50-60 foreign companies. The 7 Turkish private companies

are writing Fire, Marine, Accidents and Life business. In 1931 the total amount of gross premiums was Turkish Pounds 2,660,000 of which 1,920,000, were for Fire business and 530,000, *i.e.*, 20 per cent. for Life business.

Marine insurance is limited to the coast and export trade, whereas the import business is entirely in the hands of foreign companies. The premiums for the Marine business were Turkish Pounds 200,000, for Accidents business only 17,691.

The results obtained by the 7 Turkish Companies for the elementary branches are the following :

Gross premium income	Turkish Pounds	1,950,000
Nett premium income	" "	867,000
Benefit	" "	117,000

The Companies are bound to cover with the National Turkish Reinsurance Company 50 per cent. of the Turkish business. The reinsurance commissions granted to the companies in question are much smaller than the normal commissions of the open market so that the ceding companies do not succeed in covering the costs for propaganda, etc., which is especially the case for Life business from which some companies have, therefore, already retired.



OUR CORRESPONDENCE

[Views expressed herein are not necessarily those of the Editors. EDITORS, I. F. R.]

Nationalization of Railways :

To

The Editor,

The Insurance and Finance Review.

Sir,

A feeble voice is being heard supporting the transfer of road motor services, now run by private individuals and companies to the Railway Board on the ground amongst others, that such transfer would be a step toward nationalization of transportation services. The proposer of this seems to be working under the belief that our Government is nationalized Government or what little remains to complete its nationalization would be effected by the new constitution, published as a White Paper on the 19th March but the disillusionment ought to be complete when we read that the whole railway management of India will be entrusted to a statutory Railway Board, responsible to the *British Parliament* and not to the Governor-General-in-Council or the Indian legislature. We knew this before, and the sponsors of the proposal to hand over all transportation services to the State, as a step towards nationalization, perhaps will find out their mistake, if a mistake it was ; otherwise they will have to search their brain to bring out new stunts to convince the public and their representatives in the Assembly as to the

reasonableness and justification for the transfer mentioned above.

The railway administration reports of the last few years have thoroughly exposed the unbusinesslike way of running railway by the Railway Board and if there was really any good cause to support in the Assembly it was the proposal of Mr. Ghuznavi to abolish the Railway Board. It cannot be denied that the Railway administration has bungled the whole finance and administration. The Assembly and the various expert and special committees that sat from time to time to improve the finance and management of the Indian Railways have also failed.

CAPITAL OUTLAYS

The Railway department spent about 165 crores in capital expenditure, of which Rs. 113 crores were spent in undertakings which yield no revenue whatsoever, like the railway stations at Lucknow and Cawnpore and Rs. 42 crores were spent in undertakings which yield an income of one per cent. Railway lines which have been running for a very long time, and were yielding good returns until taken over by the Railway Board, do not now earn anything on a capital outlay of Rs. 800 crores. If such be the state of affairs to which railway management

has come to and if they can not produce even 1½ per cent. interest for years together inspite of higher freights, less running of trains, stoppage of improvement works, then what is the guarantee for a return on the new capital outlay that would be required to run competitive road motor services? On what guarantee for interest will the capital be induced? Any other business run on such lines would have been forced to go in for voluntary liquidation, but as there is such a person as *Gouri Sen* to foot the bill, the Government of India would not hesitate to go in for raising a fresh railway loan, and our individual *Gouri Sems* would be relieved of their anxieties as to how best to invest their idle and locked up capital.

ACCOUNTS AND AUDITS

More than one Assembly member marshalled facts and figures about the failures and incompetence of the Railway Board. The separation of audit from accounts, instead of producing results in economy has been declared a sad failure, and Mr. Chetty who at one time was a champion for the separation had to declare in disappointment, when sitting as Chairman of the Retrenchment Committee that

"Consequently we cannot escape the conclusion that the optimism of the framers of the estimates of the final results of the separation when they expected a saving in direct costs of the Accounts and Audit Department, has been far from being justified."

The cost of Accounts and Audit Departments was Rs. 858 lakhs in 1926-27 but after the separation of the two branches the cost jumped up to Rs. 19,80 lakhs in 1930-31, *i.e.*, about 2½ times more than before.

TENDER FOR RAILWAY MANAGEMENT

The colliery business of the Railway Department has been exposed threadbare on the

floor of the Assembly, and inspite of Mr. S. C. Sen's justification of the Railway Board, the public were not convinced, and this year after long and ruthless exposures, the Board has agreed to call tenders for raising coal: it would have been much better if the railway collieries were leased out to private business firms and the Railways purchased their coal from the open market. The ruthless manner in which the Bengal coal has been throttled will be a black spot in the history of Railway administration. The various juggleries with freights for Indian and imported goods cannot exonerate the Railway Board or its Freight Advisory Committee from partiality for imported goods.

Even now before it is too late the Assembly ought to force the hand of Government to make the Railway Board members individually and jointly responsible for its working producing a net profit of 6 per cent. on capital outlay.

The other way would be to call for tenders to manage the respective railways.

Then we can have no objection to let the matter stand as it is. The first and foremost thing that the Assembly should do is to stop all unproductive departments and works. The railways meant for military purposes should be transferred to the Army Department budgets. Care should be taken that no capital outlay is allowed on a central railway station at Scaldah another deceptive trump-card up the sleeves of railway projectors and city improvement-wallahs. The operations of the Calcutta Improvement Trust should be more carefully studied as to the results produced by them. All possible avenues for unproductive and out-of-the-line projects should be closed for years to come until reserves and depreciation fund are restored.

The plea of world depression and political unrest would not convince even a man in the street. India is a sub-continent and its land area is wide and untapped, its industries and agricultural and mineral products need wider internal movements; why not try to develop them instead of encouraging dumping of foreign goods at the cost of country produce? It is an idle and unimaginative brain that would fear competition on road motor services and advise the men in power to go in for running those services themselves.

LIGHT RAILWAYS

Is it not grotesque to say that the motor bus competition is such that the mighty railways cannot stand it? While a railway system has hundreds and thousands of miles of open lines to operate, the buses are limited to not more than 10 to 20 miles at a stretch. India has very few good roads - the canals, culverts, small bridges and ditches are there and none but the lighter vehicles of one and a half ton at the most can ply on such roads; the low wheel mile rates are workable in town areas only where the stages are many and people are more luxurious or pressed for time and can pay. In the towns the railways have nothing to gain nor to lose. The District Board Light Railways are behind time and the present-day facilities have outgrown the living services by these dirty little tracks whose upkeep cost very little. It may sound strange but why not? Who had not to pay for the constructions of roadways and if any one would care to go along the old Benares Road, the once fine road of Rani Ahalya Bai, past Belgachia, he would curse those who ever allowed a light railway track to work on it. I shall be the first person to congratulate the Hon'ble members

of the Assembly if they would carry a motion to close down such light railways as have outgrown their necessity owing to newer facilities for transportation in those areas. So long as the motor buses did not appear on the District Board roads, these light railway companies were having everything in their own way, no seats, no water-tight roofs, no window shutters, no light, no drinking water, etc., and yet the rates were as high as possible and the services slow and as infrequent as possible. With the coming in of the buses their cars are better looked after and the comforts of the passengers better cared for: rates are lower, monthly and week-end tickets are introduced, return tickets popularised and so on; but for the motor buses, these things would have remained unheard of and unseen in these areas.

NEW RAILWAY ACT

In the debate on the Railway Budget, Mr. Ghuznavi created a tense atmosphere by his exposures, but all ended as usual by withdrawing the motion to reduce the grant for maintenance of the Railway Board. But the matter will again come up when the Bill to amend the Indian Railway Act is presented for consideration. This twenty-eight-word Bill to empower the railways to run road motor services is very serious and quite detrimental to public interest. If instead of capital outlay on new motor omnibuses, the railway authorities would pay more attention to their third class fares, most of their troubles would be served. As regards the goods services the freights should be reduced in proportion to the fall in prices of commodities.

COMMERCIALISATION OF RAILWAYS

It has also become the established policy in all countries to be as self-supporting as

possible: the only possible way to meet the situation is to reduce the freight charges and allow freer movements of goods. Had India her national government in its true sense, then all endeavours would have been made to transport the goods wherever there were possibilities for their disposal. But the Indian Government is controlled by an agency whose interests are scattered over in several directions.

The railways should be run on commercial lines, but the present system cannot produce the results desired. Therefore we should not try to nationalise the transport services so long the nation has no control over them. Commercialisation may ease the situation until nationalisation is brought about.

If the railways are commercialised, the proprietorship remaining with the Government there will be no unfair competition and waste of public money to fight private business. The cry for nationalization is getting louder and wider with the idea of democracy run amok: a step further we come to rationalization and then Bolshevism: but in India it is not only unsuitable but illogical and inequitable so long the Government of the country is not in the hands of the representatives of the nation. The White Paper does not give us that, rather it proposes to take away what little we have, a nominal privilege to debate on the Railway Budget: there even the representatives sitting in the Assembly do not care to consult their constituents; the little the Government does to get the public opinion by circulating the draft Bill is not done by calling meetings of their constituents: they are more autocratic than the bureaucrats—they consider their personal opinion to be the best and the only arguments in the subject; hence we hear no concerted action

in the Assembly to make the rulers feel the strength of public opinion. The little interest that has so far been created and public opinion expressed have been due to the actions of the Indian Transport Workers' Union, Howrah, who was first in the field to express its members' opinion on the proposed Railway Bill and to make other bodies take interest in the affair. Time is now come to consider if the proposal to hand over all transportation services to the Railway Board is supportable at all. As we stand at present it can not be done and should be resisted by all means. Yours etc,

(Sd.) S. K. Banerjee
195, Upper Circular Road, Calcutta.

College of Insurance—An Appeal

Insurance is one of the saving factors in modern civilisation and it is a happy sign that India has not overlooked the importance of this particular line of economic advancement. It has been keenly felt by all persons engaged in the trade that the establishment of an institution for the training of insurance workers has long been overdue. The profession has been providing an army of workers and gradually drawing into its fold many brilliant people. It is calculated that there are at present roughly more than 1,50,000 workers engaged in this business and is perhaps the biggest business so far as the employment of educated men is concerned.

There are many wholtime men in this profession and the part-time workers are too numerous. Better quality of work may be expected if these workers are given scientific training and part-time workers are assured a decent living if they devote their energies fully to this work after being properly trained.

An humble beginning was made and a Society by the name of Insurance Education Society was started in Calcutta about a year and a half ago. The original committee of the Society was formed with Mr. J. N. Basu as President, which held several meetings at the Indian Chamber of Commerce and a Governing Body was ultimately formed to take initiative in the matter with Mr. D. P. Khaitan as Chairman. Dr. S. C. Roy was elected General Secretary of the Society and Mr. H. K. Sarker as Secretary of the Governing Council. The Governing Body made all arrangements to start a College in Calcutta where a beginning could be made.

At the time the Indian Insurance Institute decided to start the Insurance Education Board it was thought advisable to suspend the work of the Society to give the Institute an opportunity to carry out its programme.

It is now more than a year that the Insurance Education Board has been formed. We do not, however, like to go into details as regards the causes that led to the failure of the project. But it is high time that a definite start should be made in order to bring into effect the idea underlying the scheme.

The insurance education society will try to start the contemplated College from next June where evening lectures will be arranged in one of the buildings of an educational institution centrally situated. The various questions connected with insurance business will form the subject matter and a syllabus has already been drawn up by the Society. Legal, medical and actuarial aspects are to be dealt with in addition to the other subjects. Insurance legislation, Company management, field work etc., have also to be taken into account. The academic side of the question *i. e.*, history of insurance in general and Indian Insurance in particular, must also not be neglected.

It is proposed to have two terms in the year—summer and winter terms, one from

July to September and another from January to March. Students in general education or other lines will also be able to attend these lectures as they will be delivered in the evening. An examination should be held at the end of each term and the successful students given certificates. Several Companies have promised to subscribe to the funds of the College and give preference to the passed students of the College in making appointments.

The amount of energy and materials spent over the appointment of an agent is well known to all insurance offices. Out of 100 agents appointed hardly half a dozen work and that too indifferently. This has brought into disrepute the entire profession of insurance agency. The profession is as noble as any other if not nobler than some of the professions after which we ordinarily aspire. The person insured is more benefited than the agent who gets only a little commission for his work. The public in general is ill-educated so far as knowledge of insurance is concerned. A trained agent is in a position to give a member of the public comparative facts and figures and will work for only those companies which are sound. This state of things cannot be achieved without an institution which will produce the right type of workers.

With a view to materialise this idea, the Insurance Education Society formed last year has been revived and we beg to appeal to the general public, the Insurance Companies and Insurance workers for help and co-operation in making the scheme successful.

For particulars, etc., please write to
Mr. H. K. Sarker, M. A.

Secretary,
College Governing Body,
72-2A, Bondel Road, Ballygunge, Calcutta.

or to

Dr. S. C. Roy,
General Secretary,
Insurance Education Society,
14 Clive Street, Calcutta.

CURRENT TOPICS

Current Economic Conditions

The following are extracts from the speech of Mr. Sheo Kissen Bhattar, President of the Indian Chamber of Commerce, Calcutta, delivered on February 22, 1933 :—

During the year 1932 and the beginning of 1933 with the exception of a short period between July and September of last year, economic conditions have gradually deteriorated. Prices dropped in nearly all countries of the world between 5 to 10 per cent as a consequence of an all-round contraction of currencies, which was contrary to all expectations. However, the fact remains that Bank-rates of Interest have reached unprecedented low levels in India due to enormous amount of Gold shipped out of the country and the surplus currency is not invested in Industrial concerns but on Gilt-edged securities. The growth of unemployment is also an indication of the gravity of the situation.

Jute

It is evident that it must be more profitable to work one efficient mill for 80 hours with the overhead charges of one management only, than to run two mills, one of which is less efficient for 40 hours and to pay the cost of two complete sets of management. The Managing Agencies which are in various instances in charge of more than one mill can go far in initiating such schemes. The second alternative of combining the machinery of two mills under one management is also a possibility for reducing costs, and may be considered.

The evidently false proportion of capital and block account of many Jute mills is a point which deserves serious notice. I am referring to the cases when Jute mills have been gradually

extended out of profits and without raising the capital, and where the new investment is shown as "Reserve" instead of "Capital". The result is that reasonable and moderate profits which have been achieved by the combined work of capital and reserves, are shown in relationship to the ordinary capital only and it lends an impression that such mills make a profit of 50 to 100 per cent with their capital. In case the ordinary capital would have been increased, instead of creating reserves, the dividends would be far lower and really in accordance with the actual business results. The disadvantages of the present system are evident. It leads to a widespread belief that the jute industry is far more prosperous than it is in reality ; furthermore, it creates a desire in foreign countries to build more mills on account of this false indication of their prosperous state.

Coal

The Coal Mining Industry has also been a victim of the general depression. The remedy for the plight of our collieries is not so difficult as its problems are in a certain sense simpler and easier to solve than those of Jute and Tea. India can produce all the coals she needs and is in a happy position to raise more coal if necessary for the purpose of export. Unfortunately, however, India has not yet been able to regain all the oversea markets which she lost due to the embargo put on the export of coal by the Government of India. Though China has been taking some coal for the last two years from India, I understand that the prices are so unremunerative that it is practically impossible to develop or maintain the position of being a supplier of coal to China unless the prices of coal improve. You are all aware that the Railways are the biggest buyer of coal in India

who consume about 31 per cent of the total consumption of coal in India. As these Railways have got their own collieries they do not buy their full requirements from the public. Although the Government has restricted the output of State-owned collieries to a great extent yet it would be desirable if these collieries were shut down entirely to improve the Coal Industry.

The imposition of a surcharge on the freights of coal during the last year has also been a great handicap on the industries. I fail to understand why the coal industry is signalised for such treatment and consequently penalised, when no other industry has been subjected to such a treatment by the Government. It will be of interest to you to learn that this surcharge instead of yielding any more revenue to the Railways, has been responsible for reducing the revenues of the Railways. The sooner this surcharge is abolished, the better it will be for all concerned.

I should also refer to another very great handicap on the movement of coal from the principal coalfields to India situated in this province and in Bihar to the distant consuming centres like Bombay, Ahmedabad, etc. You are perhaps aware that the basic rate of freight on coal from collieries in the Central Provinces as compared with collieries in Bengal and Bihar and Orissa is about 20 per cent lower and I do not understand why in the teeth of strong opposition from the coal industry this glaring injustice has not been removed so far by the Government of India. The present surcharge of 15 per cent has made the position absolutely unbearable, and has been responsible for a great reduction in the sale of Bengal Coal. I hope that the Government of India will revise these rates with a view to remove this glaring injustice to collieries on this side.

Tea

In December last the chief tea-producing countries of the world have signed an agreement restricting the exports of tea from various producing centres.

As a partial solution this agreement must be welcome but it should not be forgotten that

this scheme does in no way restrict production within the various producing countries. I strongly feel that the export restriction scheme will have to be followed by a scheme of curtailing production as otherwise the export scheme is bound to be a failure on account of the lower price level caused by superfluous stocks remaining unsold within the boundaries of the producing countries.

Summing up, there is no doubt left that the various staple industries could do a lot in order to better their own conditions. Such rationalisation schemes accompanied by a suitable currency policy and a gradual rise in the price level could go far to bring about better economic conditions.

Cotton

The Cotton Industry of India has also to pass through a very difficult year. The additional protection granted by the Government against dumping of foreign piecegoods fell far short of the requirements and had the inevitable result of an increase in the imports of foreign piecegoods, which was showing a declining tendency for the last few years. A perusal of the figures of import for the 9 months ended 31st December 1932, indicates that the import of piecegoods went up to 914 million yards as compared with the 561 million yards during a similar period in the year 1931 and 713 million yards during a similar period in the year 1930. The value of the imported piecegoods during the 9 months ended 31st December 1932, was Rs. 16 crores as compared with Rs. 10 crores during a similar period in 1931 and Rs. 16 crores during a similar period in 1930. The rise in the imports of cheap piecegoods from foreign countries had led to the shutting down of a large number of mills in the Bombay presidency and if this state of things would continue for any length of time, I am afraid, more mills and more hosiery factories will have to close down and this would be nothing short of a calamity to the country. If adequate protection is given to the industry for just a few years I feel convinced that even with their existing equipment, the Indian mills and handlooms will be able to

supply the full requirements of this country in regard to piecegoods, barring some special kinds of cloth which they may not be in a position to manufacture at the present moment. I fervently trust that the Government of India will come that to the rescue of this great national industry and assist it, in spite of protests of Lancashire in developing to a stage when it is entirely self-sufficient in the matter of production of cloth.

I regret to say that the reply which Sir Joseph Bhore gave to the short notice question of Mr. H. P. Mody in the Assembly yesterday stating that pending further consideration of the report of the Tariff Board, a Bill to extend the existing protection to the cotton industry until 31st October, will be introduced, is not re-assuring enough. In view of the developments since the additional protection was given in September last, I trust that the Government of India will use its special powers in order to increase the measure of protection to this industry.

Politics

Before I conclude I must refer to the political situation in the country. In this connection, I cannot help feeling that there is hardly any hope of revival of trade, commerce and industries in the country unless the political situation is so sharpened that it would finally satisfy the hopes and aspirations of the people of the country. I also find that the British Cabinet desire to hedge round with various limitations the responsibility at the Centre and the Financial Autonomy which they have promised to us. Sir Samuel Hoare recently observed that he regarded the financial and commercial safeguards "not as stone-wall that blocks the road, but as hedges on each side that no good driver even touches but they prevent people on a dark night from falling into the ditch." I regret I cannot share this view as these safeguards are at least huge obstructions which make it impossible to pass the road without raising in one's mind a grave anxiety full of misgivings. I must also observe that any delay in replacement of the present policy by a wiser and saner policy, of conciliation with the leaders

of the Congress which is the biggest political organisation in the country, is fraught with serious consequences and is a source of danger to the continuance of goodwill and happy relations between the two countries. I would also suggest to the Government that they ought to inaugurate a new era of reconciliation in this country and as a mark thereof they ought to release the Congress leaders including Gandhiji whose detention behind the prison-bars makes the solution of the political problem more and more difficult.

Casualty Insurance in the Orient

The following are extracts from an article in the *Canadian Insurance*, for January 31, 1933 :

From the Nile delta to the plateau of the Deccan; from the mountains of Burma to the tin areas and rubber estates of Malaya; and from the plantations of Java to the marble palaces and the pagodas of Peking, casualty insurance is being sought by numerous people who need protection from various hazards.

In India, one of the casualty lines is workmen's compensation, a Workmen's Compensation Act having been introduced in 1923. All classes of casualty insurance are written in this land spread over some 2,000,000 square miles, with 500,000 villages. The population of India is about 320,000,000, of whom three-quarters are Hindus. The writing of casualty insurance, however, is limited in general to English-speaking people—the more educated classes among the natives.

The same applies to Burma where the Indian Workmen's Compensation Act is also in force. Motor-car Tariffs have been set up in India, Burma, Indo-China, Malaya, Dutch East Indies and China.

In Siam, casualty business is also written on a small scale. The main industry is in teak and other hard woods from the northern interior. Bangkok, the capital, is on an island surrounded by klongs (canals). The population is about 8,000,000 and besides casualty insurance, fire and life insurance are also underwritten. Rice mills

are particularly hazardous, on account of poor construction, over-crowding and inadequate supervision.

In French Indo-China the experience is rather unsatisfactory in regard to casualty insurance, we learn. Most of the companies write only fire, automobile, personal accident and limited health there in connection with Europeans. Cochin China and Tongking are, of course, French colonies; Cambodia and Annam have a King and Emperor respectively and these areas are under French protection. The principal town in Cochin China is Saigon; and in Tongking there is the little town of Hanoi, which has been particularly progressive. Both cities have their own municipal theatres. There is a motor tariff operated from Saigon, which deals with motor insurance rates throughout Indo-China. The "Comite" (Tariff) exacts a compulsory deductible of 100 piastres, (approximately 50 cents par to the piastre).

Casualty insurance also finds its way into the Dutch East Indies, the principal areas being Java and Sumatra and numerous other islands. Java has a population of about 40,000,000; sugar, rubber, quinine and tobacco being a few only of the industries operated. Sumatra, a larger island than Java with smaller population—5,000,000—produces among others, tobacco, rice, rubber, copra. In these islands, liability, personal accident, limited health and group insurance for the coolies on the rubber estates, etc., are written. As murder and assault are somewhat prevalent, the popularity of a planter is a factor of importance, when considering acceptances for accident insurance.

In the Federated Malay States and Non-Federated States and in the Straits Settlements, a proposal to introduce Workmen's Compensation legislation based on the Indian Act of 1923, has been on foot for some time. Singapore is an island at the south end of the peninsula, has a population of approximately 450,000, about 7,500 being Europeans, including the garrison of about 1,000. The majority are Chinese from southern China and the servant class is drawn from Hainan Island.

In the island of Hongkong, the British Colony, casualty insurance has a growing field. In the island the silver dollar, which competes with Chinese silver, is an anomaly which does not exist elsewhere, as it has no gold backing.

In China, with her 2,000,000 villages and population of some 500,000,000 in 21 provinces, casualty insurance, like life and fire insurance, is confined almost entirely to the Treaty Ports and to Peking. In the interior, for example, it is impossible in certain parts to undertake burglary insurance. They have a Gilbertian insurance system of their own, which consists of a bribe to the "thieves guild". Your gate-keeper will receive \$5.00 a year, \$4.00 of which he will give to the thieves.

Ceylon Refuses Imperial Preference

The preferential treatment arrived at at Ottawa has proved to be against the interests of Ceylon too. The following extracts from the *Young Ceylon* for February, 1933, where the Editor has simply voiced the public opinion :

The export trade of Ceylon, it is not so generally known, is two-thirds tea and considering the proportion of those benefiting by this industry among Ceylonese it could hardly be equitable to plunge the country into the hardships of higher prices to fetch a good market for tea. An inquiry into the effects of Preference on our Export and Import trade will establish the fact of the undoubted probability of an improvement in the tea industry and the stark certainty of soaring prices of all imported articles. By giving Preference we tax the small competitors in all wares and commodities. It is thus not Ceylon that will regain her prosperity but the lordly tea merchants who will have made clear for them an open road for wealth and profit. Another clear result of Imperial Preference will be to divert our import trade from foreign countries to England at appalling high prices. What we bought cheap from outside the Empire we shall in future buy dear from Empire marts. The Preference offered by England to our plumbago is a delusion and a snare.

Any impartial judge of the Imperial Preference Bill cannot but come to the conclusion that its sponsors have been guided by their desire to raise revenue without any regard to the reactions on national industries. It is a surreptitious attempt to involve the people into accepting an increase in taxation at a moment of grave national distress. The only way in which the present distress can be relieved is to reduce the constant drain of wealth through our imports. This is a practical proposition. A system of tariffs could be drawn up with reasonable certainty of its effects unlike a system of exports to uncontrollable markets. Such a policy could be effected progressively and every stage could be watched and the nature, degree and extent of its effects could be controlled. It would have the immediate effect of relieving unemployment in opening up avenues of lucrative employment to skilled and unskilled labourers and to the idle and starving thousands of educated men in the land.

Efficiency of Business

Mr. A. M. Burton, President of Life and Casualty Insurance Company, writes in the *Weekly Underwriter*:

Get acquainted with your debit, develop

an interest in it. Learn all about the insurance needs of your policyholders, how to fill those needs, where to find new prospects how to render them service. Study your system, your sales talk, your personality. This interest will not only create enthusiasm but it will give you another essential element--confidence.

It is through use that we are able to get a benefit from any possession. Only by using brain, using muscles, using human abilities that we are able to make these possessions return profits or satisfactions of any kind. What is it that makes the difference between inefficiency and efficiency? The difference is chiefly one of development. The thoroughly efficient man is the man who most clearly approximate the ideal of the all-round man, and this means the man who is physically fit, mentally alert, financially secured and spiritually developed, and who has harmoniously developed integrity, industry, promptness and power of concentration.



COMPANY NOTES

The Asiatic Government Security Life Assurance Co., Ltd.

The Asiatic Government Security Life is the first insurance company constituted within an Indian Native State. This Company has been incorporated in Mysore and is also subject to the provisions of the Indian Life Assurance Companies Act. It was established in 1913, but started Life department somewhat late in 1922. The Company provides attractions to the policy-holders in the form of very low rates of premium and liberal policy conditions. Besides, all the policies are entitled to non-forfeiture benefits and the Triple Benefit Scheme guarantees a Bonus of Rs. 25 per thousand per annum. An additional advantage offered by the Company is that it accepts female lives with very little extra premium. During the year ended 31st Dec., 1931, the Company issued 601 policies for assurance aggregating Rs. 8,58,750. The total receipts from premiums, interests and other sources amounted to Rs. 1,93,979-11-11. The Life Assurance Fund at the end of the year stood at Rs. 3,50,986-15-7, shewing an increase of Rs. 11,111-10-2. The Company paid Rs. 19,170-4-0 in settlement of 13 claims by death, out of which 6 for Rs. 5,500 were in respect of claims arising during the year under report, the remaining 7 for Rs. 13,970-4-0 being the claims outstanding at the beginning of the year. We understand

that the second quinquennial valuation of the Company has been completed by Mr. G. S. Marathey and it has disclosed a divisible surplus enabling the Company to declare bonus to the policy-holders and dividend to policy-holders. The Company has very recently established a Sub-office in Calcutta with Mr. D. R. Krishnamurti as the Branch Secretary. Mr. Krishnamurti has already started his work of organisation and has enlisted the services of distinguished workers like Mr. B. C. Das, M.A., B.L., and Mr. Paritosh Guha. Messrs. Das and Guha are well-known in their lines and they have already written a large amount of business, which has given the Calcutta office an added importance. We hope through the joint efforts of Messrs. Krishnamurti, Das and Guha the Asiatic will yet discover vaster fields of business.

The Asian Assurance Company Ltd.

The Asian was started in the wake of the Swadeshi movement in 1910 and since its very start showed wonderful vitality. It is to-day one of the biggest offices in Bombay with a network of organisation in every part of the country. The unimpeachable soundness of the concern can well be realised from the assets of the Company which stand at Rs. 29,91,000 with a Life Fund of Rs. 20,80,068-14-3.

The Asian offers some novel features, it offers the benefits of permanent disability through accident without any extra-premium. The variety of schemes like automatic non-forfeiture, easy revival methods, extended insurance and the personal accident scheme are some of its many attractive schemes. Emboldened by the patronage and unstinted support so ungrudgingly given to the Company by the public, the Asian has started an Accident Policy and propose to start the Fire and Marine Insurance business at a convenient date. The Annual Report of the Company for the year ending 31st December, 1931, shows that 2574 policies have been issued by the Company, assuring Rs. 40,17,100 and the annual premium income thereon being Rs. 2,17,624-15. The following table will show the rate of progress maintained by the Company and how, even in these days of economic blizzard the Company has been able to tide over the effects of an all-round depression.

	1927	1929	1931
Number of Policies issued	1103	2078	2574
Amount of Assured	Rs. 20,53,000	31,70,500	40,17,100
Total Premium income	Rs. 4,01,175-13-2	5,85,909-12	7,43,570-3-9
Life Fund	Rs. 10,58,313-5-3	15,10,594-3-3	20,80,008-4-3

The latest valuation of the Company for the triennium ending 31st December, 1928, shows a surplus of Rs. 94,113-14-3 which has enabled the Company to declare a Reversionary Bonus at Rs. 12 per Rs. 1000 per year for ordinary Whole Life policies and Rs. 9 per Rs. 1000 per year to other participating policy-holders.

It is gratifying to note that in the Annual Report of the Company the Directors have been pleased to express satisfaction at the

working of its Calcutta office, and our warmest congratulations to Mr. K. P. Kamdar, the Branch Secretary on his success.

Andhra Insurance Co., Ltd.

The Andhra Insurance Co., Ltd., was established in the year 1926 under the guidance of some leaders of Andhra Desh. The guiding genius of the Company was the late Dr. Ahobalarao whose untimely death Andhra Desha mourns even to-day. From the very beginning this Company kept a watchful eye over expenditure and received proposals for Rs. 8,20,000 in the very first year with a remarkably low expense ratio.

In the year 1931, the Company received 1,018 proposals of Rs. 14,38,250 and its Life Fund stood at Rs. 3,27,000 and its interest yield came to a comfortable figure of Rs. 1,16,176. The Andhra Insurance Company made a bold departure in investing a considerable amount of its money in nation-building concerns like the Central Co-operative Bank and Co-operative Land Mortgage Banks. The soundness of this forward policy of investment has been more than amply rewarded by a handsome interest yield. It is gratifying to note that the Company has reached the standard of excellence as set up by the Government within so short a time by satisfying two essential requisites for being so treated, *viz.*, that the Company has declared a Bonus and that the expense ratio in relation to the Annual premium income is 33½ per cent. The mortality experience of the Company is very favourable and this shows careful selection of risks. The Company had to meet claims of Rs. 50,000 only over a total business of 69½ lacs. The expense ratio of the Company is remarkably low considering the

general run of competition and multiplication of life offices. It started with an expense ratio of 80 per cent to total annual income in 1926 and to-day it is 30.11 per cent with its annual income of Rs. 2,27,000. The latest Valuation Report of 1929 declared a Reversionary Bonus of Rs. 10 per thousand. In short Andhra is fast forging ahead and bids fair to come to the forefront of Indian companies if its present rate of progress is maintained. In this connection a word of praise is due to Messrs. Roy & Co., the Chief Agents of the Company in the Eastern Divisions who have their office at 11, Hare Street. Messrs. S. M. Roy and S. N. Chatterjee the proprietors of the firm are resourceful workers and under their able stewardship, Andhra is creating ever-increasing field in these areas.

The Crescent Insurance Co., Ltd.

The Crescent Insurance was first started in 1919 and it transacts Life, Fire, and Marine Insurance business. It has introduced some attractive features one of which is the Ideal Endowment Policy which combines in itself all the ideal advantages of insurance and investment. It secures for the policyholders maximum return for his premium which is very moderate in consideration of the benefits offered.

The first valuation of the Company ending in March 31, 1928, showed a surplus of Rs. 640. The Life Fund of the Company stands at Rs. 30,215 for the year 1931. In the year ending in March 1931, the Company issued 209 policies assuring Rs. 3,09,000. The Company declared Bonus at the first valuation which is no mean achievement for an insurance company.

The Company has recently started a

Branch Office for its Eastern Divisions in Calcutta with Mr. H. L. Gupta, B. A., as the Branch Secretary. Mr. Gupta is a rising hopeful in the line and knows his job well. We wish him all success in his work.

The Bombay Life Assurance Co., Ltd.

The above Company is one of our progressive Insurance Companies being started in 1908 during the raging Swadeshi Movement. The Company was originally named Swadeshi Life Insurance Company which name was subsequently changed to the present one. Sir Lalubhai Samaldas, the



Sir Lalubhai Samaldas Kt.

Chairman of the Board of Directors, has himself lent his considerable time and attention towards this Company and his labours to-day have been amply justified by the attendant results. Economic management and low premium rates are two of the most

outstanding qualities of the Company. The policyholders are entitled to elect a Director and an Auditor in order to safeguard their interests. The Company offers most of those alluring schemes that a progressive insurance Company has got to offer. Permanent Disability Benefit, Joint-Life, Double Benefit Policies and Guaranteed Family Pensions are some of the privileges offered to the policyholders. Besides, the Company accepts naval, military and aviation risks with some extra loading.

The latest valuation Report to hand for the five years ending 31st December 1930 showed a surplus of Rs. 3,99,563 which after paying a dividend and bonus to the shareholders at the rate of 8 per cent per annum and a handsome contribution of Rs. 1,29,559 to the Reserve Fund, provided a simple reversionary Bonus at the rate of 2 per cent per annum on Whole Life Policies and 1½ per cent per annum on Endowment Assurance Policies for the last five years and interim Bonus for the next five years at the same rate. The latest business figures for the year 1931 shows Rs. 56,56,800 under 3,115 policies. The premium income of the Company is now Rs. 13,98,010-14-3 and the Life Fund to-day stands at Rs. 32,24,808-15-10. The Reserve Fund of the Company is Rs. 1,80,416-6-5.

A word of tribute is due to the firm of Messrs. Sen & Co., Chief Agents of the Company in Calcutta of which Mr. I. B. Sen is the chief. To Mr. Sen goes the credit of contributing a huge quota towards the total output of the Company's business. Mr. Sen is a distinguished personality in the Insurance world of Bengal and his services towards insurance were very fittingly recognised by electing him the President of the first



Mr. I. B. Sen

session of the Insurance Agents' Conference held in Calcutta in 1931.

Asoka Assurance Co., Ltd.

The establishment of the Asoka Assurance Company Limited marks a new era in the history of Life Assurance in the province of Bihar and Orissa. Although insurance policies have been taken out in this province for the past two generations, the Companies hitherto operating have their head-quarters outside and neither their administration nor the funds collected by them have in any way been amenable to local control. It has been estimated that Bihar's investments in such Companies amount to three crores of rupees; and the annual payments of premiums approximate to fifty lacs of rupees. Thus it is evident that the inauguration of

the Asoka Assurance Company removes a long felt want of the province.

The Board of directors is a combination of distinguished publicmen and hard businessmen, and is obviously a representative, compact and most influential body.

The Asoka Assurance Company has succeeded after careful expert consultation, in introducing in its Prospectus some very striking privileges. Some of such privileges are :

(1) The rates charged are based on the age nearest birthday, and not next birthday.

(2) Special Non-Forfeiture and Revival regulations make it practically impossible for any payment of premium made to the Company to be forfeited.

(3) Guarantee of a minimum maturity bonus of Rs. 15 per thousand sum assured per annum on all its with-profit Endowment policies in addition to the usual profits which may be declared from time to time. The Company was incorporated in the month of November, 1932, and commenced business in January, 1933. During this short period, the Company by its careful organisation has succeeded in writing a business of several lacs and before the current year goes out it hopes to satisfy a very liberal calculation. We wish the Company all success in its work.

Bharat Insurance Co., Ltd.

The Bharat is one of the big five amongst Indian Insurance Companies established in 1896 by Lala Harkishen Lal, the wizard of the Punjab financial world, this Company has introduced many modern and novel schemes which have popularised its policies and brought it to its present position. Among



Lala Harkishen Lal

its many features the following are most prominent :

(1) All policies can be renewed within two years of lapse.

(2) Liberal surrender values and premiums in instalments without extra-charge for policies above Rs. 2000.

(3) Policies on female lives are accepted almost on equal terms as male lives.

(4) Both participating and non-participating policies are issued at very moderate rates of premium.

The Annual Report of the Company for the year ending 1931 shows that 968 policies assuring Rs. 79,28,546-13-0, one Fidelity Policy of Rs. 2000 and 22 annuities of Rs. 21,120, were issued. The total annual income of the Company has come up to Rs. 34,50,341-13. The total assets of the



Sir Deba Prasad Sarbadhikari

Company as at December 1931 was Rs. 1,55,081,01-8-11. During the year under review Rs. 10,69,560-8-11 has been added to the Life Fund which stands at Rs. 1,23,10,574-10-3 to-day. The Bharat Insurance has invested a big amount in House Properties and there is hardly any important city in India where Bharat has not a mansion of its own. In Calcutta it has got a palatial mansion in Chittaranjan Avenue called, the "Bharat Bhawan" which has established the Company firmly in the heart of the Province. The following table will give an indication of the steady progress of the Company in recent year :

	1923	1928
No. of Policies	10,662	24,796



Mr. T. N. Gupta

Amount of

Assurance	Rs. 1,87,11,528	5,13,81,493
Yearly premium income	" 9,55,817	" 25,66,189
Life Fund	" 43,42,077	" 87,37,650

The following table will show how Bharat is answering to the needs of its large number of share-holders and Policy-holders :

Year	Dividend	Bonus
1923	10 p. c.	Rs. 20
1928	12 p. c.	" 25 and Rs. 21
1929	15 p. c.	
1930	15 p. c.	
1931	15 p. c.	

The Bharat Insurance began operations in the Eastern divisions by establishing a Branch Office in Calcutta in 1925. It has set up a local Board of Directors of which Sir Deva Prasad Sarbadhikari is the Chairman and Sir Nilratan Sarkar and

Col. R. N. Chopra I.M.S. are the Medical Advisers. The Calcutta Branch of the Company is under the able management of Mr. T. N. Gupta assisted by his resourceful lieutenant Mr. H. Chakravarty. Under the clever piloting of these two distinguished Insurancemen the Bengal Branch has weathered all storm in this area and is contributing a substantial amount to the total output of the Company's business.

Bombay Mutual Life Assurance Society Ltd.

Bombay Mutual, considered historically is one the oldest of our Mutual Companies being established in 1871. The funds of the Company as its name signifies, are the property of its policyholders and it has not to part with anything to feed up the Share-

holders. The Bombay Mutual to-day is one of the biggest and most progressive of Indian Companies and it is forging ahead so rapidly as to promise for itself a place amongst the big five of Indian Companies very soon. Its management has been throughout marked by a keen alertness towards its obligations to the numerous policyholders of the Company. The Premium rates of the Company are very low and the Company offers all latest Insurance privileges.

The latest actuarial valuation of the Society as on 31st Dec. 1931 shows a surplus of Rs 5,38,507 as against Rs. 1,36,014 in 1926 and the volume of business has increased 300 per cent. during the quinquennium from 1926 to 1931. The Society has declared a simple Reversionary Bonus of Rs. 26 and Rs. 21 per annum per thousand on Whole Life and Limited Payment Life Policies and on other With Profit policies respectively of which Re. 1 per annum per thousand is in commemoration of the Diamond Jubilee year which happily coincides with the valuation year. The actuary has also recommended the payment of interm Bonus at the rates of Rs. 25 and Rs. 20 on Whole Life and Limited Payment Policies and on other With Profit Policies respectively which become claim after the date of the valuation and before the date of the next valuation.

In the year ending 31st Dec. 1931, 4,173 policies were issued assuring an amount of Rs. 68,74,500 and yielding an annual premium income of Rs. 3,66,514-1. This shows the gradual headway which the company is making even in these days of economic blizzard.

The Bombay Mutual is represented in the Eastern Divisions by Messrs. Dastidar



Mr. D. A. D'Monte



Mr. J. M. Cordeiro

& Sons to whom goes the credit of booking a huge amount of business every year. Mr. J. C. Ghose Dastidar of the above firm is an Insuranceman of great reputation and the votaries of Insurance have very fittingly recognised his magnificent services towards Insurance by electing him President of the Second Session of Insurance Agents' Conference to be held in Calcutta in April. Our warmest congratulations to Mr. Ghose Dastidar.

Bengal Insurance & Real Property Co., Ltd.

The Company was established in 1920 in Calcutta. The company's history is a chequered one and it had had to face unfavourable and trying moments during the brief span of its life but it has weathered all storm

and to-day is showing a future of assured vitality. One of the most outstanding features of the Company was its Housing Scheme, which unfortunately, it has now suspended and concentrated its attention on pure life business. This Company offers many attractive and up-to-date schemes beneficial to the middle-class people.

The Annual Report of the Company for the Year 1931 shows that of 132 proposals received aggregating sums assured of the value of Rs. 6,12,500 -308 proposals effecting assurance of Rs. 4,11,250 resulted into policies. In the year under review the total premium income of the company is Rs. 98,229-15-0 per year of which Rs. 18,270-8-0 constitute the premium income of the new business. The Company received Rs. 14,393-10-3 from interest which shows an increase of Rs. 3,354 from that of the last year. During the Year under review the life fund of the Company stands at Rs. 2,54,973-11-0 and shows an increase of Rs. 25,973.

The mortality experience of the company during the year under review has been favourable and claims on that account come to Rs. 13,500 and claim on account of maturity is Rs. 27,975, thus making the total claim Rs. 41,475. The outstanding claim stood at Rs. 26,000, but during the year under review Rs. 43,750 on account of claim was paid leaving a balance of Rs. 27,725. This shows the utmost care and promptitude with which Bengal Insurance and Real Property is meeting the needs of the policyholder.

This year the Company has set its hand on the re-organisation of agency force and within a very short time it has forged ahead in the matter of the procurement of business. The management of the Company is under the able stewardship of Mr. P. C. Ghosh, the

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Secretary-in-charge and we have reasons to expect a yet brighter future for the Company under his careful management.

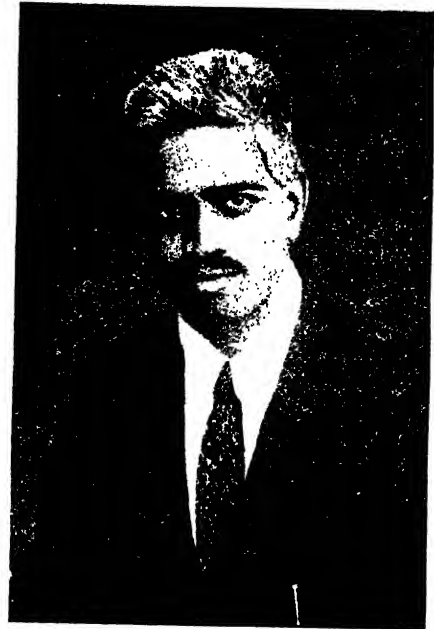
The Commonwealth Assurance Company Ltd.

The Commonwealth is one of our younger companies which though established in 1929 has outshone many of its old compeers in

15.5 per cent. The total premium income for the year under report, amounted to Rs. 1,14,397 and the total management expenses came to Rs. 56,338-12-4. The ratio of management expenses to the total premium income came down from 72 per cent of the last year to nearly 50 per cent this year. The Life Fund of the company has been



Mr. N. C. Kelker



Mr. R. N. Abhayanker

point of sound and efficient management of affairs. The company offers a large number of distinctive privileges of which Housing Scheme, Automatic Premium Reduction Scheme, Permanent Disability Benefit, Extended Assurance Scheme, Automatic non-forfeiture, Guranteed Bonus Policy and Joint Life Assurance are the most important.

The third annual Report of the Company for the period ending on 30th April, 1932 shows that proposals for Rs. 10,53,750 resulted into policies showing an increase by

raised from Rs. 11,000 and odd to Rs. 62,397. The first Triennial valuation for the period ending on 30th April, 1932 discloses a surplus of Rs. 25,413-1-3 which has enabled the Company to declare a reversionary Bonus at Rs. 12 and Rs. 10 per thousand sum assured per year for three years on Whole Life policies and other classes of policies respectively. The Company can well congratulate itself upon the results of its valuation which discloses able husbanding of resources and clever management of affairs.

The Company is represented in the Eastern Divisions by Messrs. International Agencies who, we are told, are underwriting a large amount of business in these divisions. We wish them all success in their task.

The Radical Insurance Co., Ltd.

This [is the only Company working from a district town of Bengal— viz. Comilla, which is marching ahead in importance as a centre of successful commercial enterprises. The Company was started in 1931 with a strong Board of Directorate consisting of men of great local influence and proved ability in the world of business. The Managing Agency of the Company is vested with the Broker's Syndicate which consists of some reputed Insurance workers all of whom are themselves large personal producers. The success of this Company is, therefore, assured and more so because the Managing Agents have agreed to secure business for the Company on a comparatively low rates of commission and we understand that they have actually placed a paid-for business of two lacs without charging any commission for the same. The Directors' Report and Balance Sheet of the Company for the year ending in 31st October 1932 shows that the Company received proposal, for insurance for Rs. 4,76,500 out of which those for Rs. 3,10,500 resulted into policies. The total premium income during the year under review amounted to Rs. 14,258-12-0 including the cost of re-insurance and the total income of the Company including interest on G. P. notes amounted to Rs. 15,723-5-0 and total expenses absorbed Rs. 15,152-1-0. The ratio of expenses consequently comes up to 96.4 per cent. of the total income. It is a matter of congratulation that the Company has been

able, in the very first year, to build a nucleus of a life fund of Rs. 571-4-0. During the year under review the Company received a notice of a death claim of Rs. 1000 which is however awaiting the decision of the Board of Directors. Provision has, however been made for payment of the claim in the Balance Sheet in case of its admittance. On the whole Radical bids fare to be a virile and healthy institution before long.

Servants of India Insurance Company Ltd.

This Company has been started in 1932 in Delhi under a distinguished Directorate. The Chairman of the Company is Sir Hari Singh Gour and the Board of Directors



Dr. Sir Hari Singh Gour

consists of men like Sir Abdulla-al-Mamun Suhrwardy, M. L. A., Bar-at-Law, Rao Bahadur Hony. Capt. Chaudhri Lal Chand, O. B. E., B. A., LL. B., M. L. A., Ex-Minister of the Punjab Government and Dr. N. N. Bery, D.D.S., (U. S. A.) D. E. A. P., (Paris), Z. D. S. Z. O. S. (Vienna) etc. The Servants of India offers a number of attractive schemes, such as Every Indian's Rupee Policy, Peasants' Protection Policy, Guaranteed Bonus Assurance Policy, Family Umbrella Policy, and Gilt-edged Policy etc., which will bring

the benefit of assurance to the door of the humblest of men. Dr. C. L. Mahindra, M.A., Ph. D., (Berlin) F.R.E.S. (Lond.), the Managing Director of the Company, is a gentleman of very wide culture and liberal sympathies; he has had extensive experience in the line and under his guidance the Company is making rapid headway. Of late the Company has started a branch in Calcutta and we are sure, considering the strong Directorate and efficient management the Company will find for it a productive field here in this area. The following extract from the speech of Dr. Sir Hari Singh Gour reviewing the work done by the Company during the period covered by the Statutory Report, will speak a lot about the able management of the Company,

"In a comparatively short time at its disposal, the Company has established an extensive and solid organisation throughout the country and has got working agents in almost all parts. This organisation is being pushed further and further every day. But even as it is, it is capable of producing business, which even a number of comparatively long established offices would vainly have on their books. The preliminary expenses incurred are exceedingly low. Considering the amount of business and premium received, the extent and solidity of organisation and the low expenses at which this has been all done, your directors believe that the Company may be reasonably proud of its achievement."

Tropical Insurance Co., Ltd.

The Tropical created a furore in the Insurance world by its huge output of business in the very first year of its commencement of business in 1925 when it first saw the light of day. The Company was started

by some of the leading lights of Indian public life like the late Hakim Azmal Khan and Pundit Matilal Nehru. The Tropical offers some attractive schemes to its policy-holders and provides the privilege of Permanent Disability Benefit.



Mr. H. K. Sarker, M. A.

Encouraged by the results of its work of the last four years in Bengal, the Company established a Branch in Calcutta for the Provinces of Bengal Bihar, Orissa, Assam and Burma with Mr. Hemanta Kumar Sarkar, M.A., Ex-M. L. C. as Secretary. The Company proposes to invest a large amount of money in cheap Housing Scheme in Calcutta and the progress of business under the Calcutta Branch bids fair to add to the popularity of the Company.

The results of the Annual Account of the Company for the year ending December 31,

1930, shows that the Company issued 591 policies assuring Rs. 9,82,500 and bringing in annual premiums of Rs. 51,567. The total assurances in force in the Company to-day are Rs. 23,84,340 and funds at the end of the year stand at Rs. 30,052.

The Calcutta Insurance Ltd.

The Calcutta Insurance was established in 1924 and opened operations in 1925. Throughout all these years the company has made slow but steady progress without falling an all too easy victim to a passion for large business. The Calcutta Insurance has many attractive features and following are a few of them,

- (1) Benefits of Permanent Disability,
- (2) Revival of lapsed policies any time before the completion of their terms
- (3) The issue of Guaranteed Investment policies on very lucrative terms.

The last valuation of the company ending in Dec. 31, 1930 showed a divisible surplus of Rs. 15,596 which has enabled the Company to declare a Reversionary Bonus of Rs. 5 per thousand per annum. The total assurances in force to-day stand at Rs. 24,56,667 and the funds at the end of 1930 were Rs. 1,56,991. In 1932 the Company has issued 498 policies assuring net sums amounting to Rs. 7,22,250 with net annual premium of Rs. 41,492. These results, though not ambitious, speak a great deal about the careful and cautious management of affairs and its silent steps of progress must inevitably carry the Company to the front rank of Indian Insurance Companies.

Mr. J. C. Das of the Calcutta Insurance is a reputed businessman with a fund of idealism and under his able stewardship the Calcutta Insurance is sure to live a life of continued prosperity and greater usefulness.

Western India Life Insurance Co., Ltd.

The Company was established in 1913 and is one of the most progressive Indian Companies noted for its economic management and steady progress. It started under humble auspices without the usual trumpeting and boosting up before the altar of pen and paper by assiduous publicity and to-day it is one of the most glowing examples of soundness and prosperity reached up by years of steady work.

The company offers some very attractive schemes such as, Family Pension Policy, Family Trust Policy, Half Premium Return Policy, Joint Life Policy, Children's Deferred Endowment, Perfect Protection Policy etc.



Mr. S. C. Das

During the year ending 31st December 1931, 3,154 proposals were made to the Company for assuring sums amounting in the aggregate to Rs. 40,32,000. Of this number 2,532 have resulted into policies assuring Rs. 31,53,250, the annual premium thereon being Rs. 1,66,968-12-0. As a result of the year's working a sum of Rs. 5,28,853-5-5 have been added to the Life Fund making

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it Rs. 28,46,652 as at to-day. The Reserve Fund of the Company stands at Rs. 30,80,84 and other Reserves are Rs. 32,32,21. The Expense ratio of the Company is very low and is 24·8 per cent. of the total premium income. The Western India offers Bonus at the rate of Rs. 25 per thousand per year under Whole Life Policies and Rs. 20 under Endowment policies—the highest Bonus declared by any Indian Company.

The results of the last valuation (6th Valuation) that took place on the 31st Dec. 1932 are not yet out. It is most reasonably expected that the Bonus rate will be increased at this valuation also. The above facts about the Company are sufficient indications of its inherent soundness.

The affairs of Western India are under the able hands of Mr. S. C. Das as Chief Agent in Bengal and Assam. Mr. Das is a distinguished Insurance man and took up the line when he was a student. He has brought to bear in his present work a vast experience and a shrewd business acumen which has enabled him to be an asset to the Company he is so creditably representing.

The Depositors Benefit Insurance Company Ltd. *(The Central Bank of India, Ltd.)*

We had occasions to review the Depositors Insurance Scheme of the Central Bank of India Ltd., when the Scheme was first initiated. As we expected at that time, the Scheme has proved enormously popular with the Depositors of the Central Bank of India Ltd. As a result of this encouragement, the Directors of the above Benefit Insurance Company have recently introduced the much-desired Endowment Assurance Plan (with profits) in addition to the existing 30 years' limited payment Whole Life Assurance Plan

for the Depositors. Simultaneously with the introduction of this scheme, the Company has deposited with the Government of India the maximum security of the value of Rs. 2,00,000 required under the Act of 1912. The provision of this additional facility to the depositors will undoubtedly lead to increase the volume of business of the Company and augment the



Mr. S. N. Pochkhanwala

popularity of its schemes in future. The premium rates for the 20 years' Endowment Assurance Scheme per every Rs. 1000 are as follows.

Age	Annual Premium
14 to 30	Rs. 42
31 to 40	Rs. 48

and halves of these amounts for assurances of Rs. 500.

The premium rates for the Endowment Assurance Schemes are the lowest offered by any life insurance Company in India. But we understand, these Endowment Policies will be given a lien of twelve months as the policyholders would be exempted from medical examination. Had it been possible to free from the lien without enhancing the

rates of premium, the Company undoubtedly could have attracted the majority of the Endowment business of this country. Nevertheless the low rates of premium will be a great attraction for the intending policyholders among depositors. The vast and sound organisation of the Central Bank of India Ltd., together with the low expenses for procuring business and the easiness of collection of premiums are sure to render the insurance schemes of the largest indigenous bank of India highly successful.

Another socio-economic importance of the schemes would be found in the encouragement of the banking habit in the people and



Mr. S. C. Mazumder

the stimulus to insurance business by the facilities offered by the Company. We hope the benefits of the insurance schemes of the

Company will also be extended to lady depositors and gradually the other facilities of disability benefits, extended assurance and joint lives would be introduced.

The progress of the Calcutta Branch of the Depositors Insurance Company has been encouraging. This result is very much due to the energetic efforts of Mr. J. C. Roy Choudhury, M. A., B. L., who is in charge of this department at Calcutta, towards popularising the schemes in this part of India.

East and West Insurance Co., Ltd.

This is one of the most virile of the Bombay Companies. It was started in 1913 and has been rapidly progressing ever since. It offers some very attractive schemes to the policyholders such as Permanent Disability Benefit, Ideal Triple Protection Policy and Pension Scheme. These features together with its liberal policy conditions have made the Company what it is to-day. The Directorate of the Company consists of some of the distinguished publicmen of Bombay and the firm of its Secretaries, Messrs. Dalal and Co. has piloted the affairs of the Company with consummate skill and caution.

The recent valuation of the Company for the triennium ending in 31st Dec., 1931 discloses a surplus of Rs. 72, 444-4-4 which has enabled the Company to declare interim Bonus at the rate of Rs. 15 per thousand per year on with-profit policies both Whole Life and Endowment. The Annual Report of the Company for the year ending 31st Dec. 1931 shows that the company issued 1,076 new policies assuring an aggregate sum of Rs. 18,56,000. The new business shows an increase of 36 per cent over the previous year—a fact which does credit to the management in these days of

financial gloom. The Life Assurance Fund at the close of the year was Rs. 5, 41, 755—12—10.

A word of tribute for the success of the Company goes to Mr. B. Mukherjee, the General Secretary of the Company for the Eastern Division having its headquarters in Calcutta. Mr. Mukherjee has infused life, vigour and activity into the dull bones of the agency force of the Company in these areas and under his able leadership the Company is fast forging ahead.

East India Insurance Company Ltd.

The above Company was started in Calcutta in 1929 with some tried businessmen at the helm of its affair. Its Board of Directors consists of some practical businessmen who combine in them a shrewd business sense and liberal sympathies born of fine culture. The management of the Company is under the control of Messrs. Union Syndicate Ltd., a firm which includes some men of established reputation in the Insurance world. The Company offers provision against temporary and permanent disablement by payment of an additional annual premium of Rs. 2 per policy. It provides automatic protection to the policyholders up to reserve value of the policy which it is a speciality of this Company. It also offers Multiple Benefit Guaranteed Plan which serves the purpose of Insurance as well as investment.

The East India has issued policies worth Rs. 4,53,000 in 1931-32 which bring in a premium income of Rs. 24,351 with a Life Fund of Rs. 4,200 and a reserve of Rs. 2932. This company is a great believer in the policy of "Safety-first" in the matter of the promotion of business and the directors of the Company

have adhered to the principle of keeping expenditures within reasonable limits and confined the acceptance of lives to what is termed in Insurance as "quality business." The soundness of these principles have more than stood the test and the Company can congratulate itself upon the results. Another feature of the Company is that the Secretaries of the Company have shown great sacrifice in foregoing their legitimate rate of remuneration which stands at the high figure of Rs. 500. The Secretaries have also foregone their due commission on the premium income which they are entitled to. This is a step in the right direction and we congratulate the management upon the spirit of sacrifice shown by them.

The Empire of India Life Assurance Co., Ltd.

The Empire of India is one of the "big five" of Indian Insurance Companies. Established in 1897 in Bombay under the distinguished auspices of some eminent businessmen, the Company has, by steady stages reached up to its present unassailably sound position by its sound management, exceptionally low premium and a number of specially attractive features. The Empire's Family Security Policy, which is one of its many attractive schemes, is similar to the Permanent Protection Policy of the National and Perfect Protection Policy of the Oriental.

The Family Security guarantees in case of the assured's early death an adequate monthly income for the widow and children or any other legal representative and part payment of the sum assured at the end of the stipulated period. This is a safeguard against the ill-considered investments often resorted to by widows after the death of their husbands. The guaranteed yearly income

is payable by monthly instalments and is at the rate of 12 p.c. of the original sum and is free from all risks of depreciation. Another feature of this scheme is that the guaranteed yearly income and the sum assured may be commuted for a capital payment. The minimum amount of assurance under this scheme is Rs. 2,000 but this amount may be increased by multiples of Rs. 500.

Such a policy further is protected against forfeiture. Should a policy-holder wish to discontinue the payment of premiums, he is entitled after premiums have been paid for five years to a paid-up policy for such proportion of the original sum assured, excluding the guaranteed yearly income as the number of annual premiums paid bears to the whole number originally payable. Surrender Values are granted after premiums have been paid for three years and are guaranteed varying according to the period the policy has been in force.

The seventh valuation of the Company for the quinquennium ending 29th February 1932 shows a handsome surplus of Rs. 36,07,371 which has enabled the Company to declare bonus at the same rates as those provided at the previous valuation while leaving a substantial balance to carry to the Life Assurance Reserve Fund in accordance with the Company's Articles of Association. The undivided surplus carried to the Life Assurance Reserve Fund is as high as Rs. 3,35,231.

The 35th Annual Report of the Company for the year ending 29th February, 1932 shows that 6,001 policies were issued during the year assuring Rs. 1,05,27,070. The total number of policies in force is 55,668 assuring the sum of Rs. 10,37,72,779 including Bonus. During the year under review claims by death amounted to Rs. 10,85,621 and endow-

ment assurances matured for Rs. 21,00,209. The Life Assurance Fund Stands at Rs. 3,79,53,030-13-2 including the Investment Reserve and Surrender Value Reserve Funds.

The Empire is represented in Calcutta by Mrssrs. D. M. Das & Sons. as Chief Agents for Bengal, Behar, Orissa and Assam. Mr. A. C. Sen--the present head of the firm together with Mr. A. K. Sen, his worthy son and a chip of the old block--are responsible for the huge amount of business booked by this office every year. To Mr. A. C. Sen goes the credit of making Empire what it is to-day and to-day when the sun of his life is past its meridian he can look back with becoming pride upon his proud record extending over a quarter of a century which has contributed not a little in moulding the destiny of one of the biggest companies of the East.

The Great India Insurance Company Ltd. 21

The Company was first started in 1929 in Calcutta and its Board of Directors contains



Mr. N. M. Roy Choudhury B. A.



Mr. G. M. Sanyal M. A. B. L.

some of the most distinguished personalities of Bengal who have long served the country in their respective spheres. Besides, the management of the Company is under the able hands of Messrs. Sanyal Banerjee and Co. Ltd. Though the Company has not yet passed into adolescence, it has started a network of organisation all over the country which is, of late, showing marked vitality.

The Statement of Accounts for the period ending 31st Dec. 1931 shows that the Company issued policies to the face value of Rs. 17,18,255. The amount of Life Assurance Fund at the end of the year is shown at Rs. 12,535. The premium income of the Company less that on re-assurance amounted to Rs. 73, 104.

The Great India is fortunate in having been able to count upon the services of such distinguished businessmen as Messrs. Girija Mohan Sanyal and Nalini Mohan Roy Choudhury. Messrs. Sanyal and Roy Choudhury have piloted the Company through periods of engaging difficulty and it is expected that in the years to come they will be able to find Great India as one of the biggest Companies of the metropolitan city of Bengal.

The General Assurance Society Ltd

The General Assurance Society Ltd. was established in 1907 which, without being called superstitious, may be said to be the most auspicious year in the history of Indian Insurance. This company has been able to enlist the active co-operation of many of the most important personalities of Ajmere and under their close co-operation as also under the able management of Mr. P. D. Bhargava, its General Manager, the General of Ajmere has really made excellent progress which has placed it high in the ranks of the Indian Insurance Companies. The Company has introduced some novel schemes of which the Popular Policy is the most important. It is a modern scheme for old age and substantial family provision at lowest rates.

The successive Valuations of the Company have shown huge surpluses and in the last Valuation it declared a Bonus of 22½ per cent annum on whole Life Policies with immediate profits.

The total assurances in force of the Company are over Rs. 2,00,00,000 and its invested Funds are over Rs. 42,00,000 with an annual income of nearly Rs. 13,00,000. The Company has paid claims over Rs. 18,00,000 and its expense ratio is only 28·2 per cent of its total premium income.

The General has been fortunate in having secured the services of Mr. B. Roy for its Calcutta Office. Mr. Roy is a tower of strength to the Company and under his organisation the Calcutta office has long grown to be a vital part of the whole organisation of the General Assurance Society.

Hindusthan Co-operative Insurance Society Ltd.

The Hindusthan Co-operative may well be said to have added a feather to the cap of Bengali business enterprise and when to-day we find Hindusthan placed second in point of new business amongst Indian Companies we cannot but offer a word of tribute to the spirit of service of those who built up this colossal structure stone by stone.

Being established in 1907 when the storm of Swadeshi burst out in all its accumulated fury all over the country, Hindusthan could very easily enlist the allegiance of a large number of insuring public of our country. Under the constitution of the Society the shareholders are liable for all losses on investments as also for a guaranteed interest of 6 per cent every year on the Life Funds. The Policyholders are entitled to the whole of the divisible profits appertaining to the Life Fund, the shareholders' profits being dependent upon the Society's earnings in excess of the aforeside guaranteed interest rate in favour of the policyholders. The Hindusthan Co-operative invests mostly in Government and Semi-Government Securities but they also invest a considerable amount of their funds in mortgages of real estates and in land and house properties which

amount to 38.5 and 20.7 of its total assets respectively. The Society reaped a rich harvest out of their Ballyganj investments in real estates during the last land-boom, which has enabled the Company principally to wipe out its liabilities due to its Combined Scheme.

The Hindusthan has recently issued several new schemes which will be of great service to the insuring public. The Double Benefit Policy, Coupon Bond Assurance, Progressive Benefit Assurance, Deshabandhu Policy and Endowment Policy are some of the many attractive schemes which the Society is offering to-day.

The last valuation of the Company as at 30-4-27 disclosed a surplus of over Rs. 9½ lacs. It is a record proportion when this surplus is compared with the Society's Life Funds. The Society declared a simple reversionary Bonus of 2 per cent per annum on Endowment Policies, and 1½ per cent. per annum on the Whole Life Policies.

The Revenue Accounts and Balance Sheet for the year ended 30th April, 1932 shows that 8,790 proposals resulted into policies assuring an aggregate sum of Rs. 1,12,39,750 representing an increase of 23 per cent over last year's new business. The net annual premium income received under the new policies issued during the year, after deducting re-assurances is Rs. 6,76,170. The number of policies in force at the end of the year was 37,136 assuring a total sum of Rs. 6,39,70,096 including Rs. 2,35,000 re-assured. The Life Assurance Fund at the end of the year has amounted to Rs. 1,18,59,833 as compared with Rs. 1,04,22,111 at the end of last year. The Fund has thus increased during the year by the substantial sum of Rs. 14 37,692.

The tremendous progress of the Society is due mainly to the resourcefulness and shrewd business instinct of Mr. Surendra Nath Tagore and Mr. Nalini Ranjan Sarker who have given the best of their life-time towards helping the Society in tiding over periods of engaging difficulty and to-day their joint efforts have borne ample results and the Society stands to-day as a glorious example of Bengal's constructive genius in the domain of business.

The Industrial and Prudential Assurance Co., Ltd.

The Industrial and Prudential is one of the soundest companies in our country and since its establishment in 1913 it has kept pace with the most progressive companies of the land. The Company was started by the late illustrious Sir Phiroj Shah Mehta and at present its Board of Directors consist of some of the most astute business brains of the Western Presidency.

The Industrial and Prudential offers to the policyholders a number of attractive plans of which the Educational and Marriage Policy, Combined Life and Endowment Policy and Golden Investment Policy are the few. The Company also transacts business on the Industrial branch and issues policies of Rs. 250 only.

At the valuation for the quinquennium ending 31st Dec. 1927, the Company declared a bonus of Rs. 15 per thousand per annum on Whole Life Policies and Rs. 12½ per thousand per annum on Endowment Policies. The total surplus amounted to Rs. 3,59,859 and assurances in force Rs. 88,19,603. The Balance Sheet for the year ending 31st

Dec. 1931 shows that 2,406 proposals resulted into policies assuring a sum of Rs. 50,34,000. The Life Assurance Fund stands at Rs. 29,25,962-3-9. Besides this there is a Reserve Fund of Rs. 1,06,866-6-2 and a Special Investment Reserve Fund amounting to Rs. 1,37,140-6-11.

The affairs of the Industrial and Prudential are under the able management of Mr. K. C. Desai who has just been elected President of the Indian Life Assurance Offices Association in succession to Mr. Nalini Ranjan Sarker. Mr. Desai knows his job well and under his careful management the Company bids fair one day to compete with the big five of Indian Insurance Companies.

The Metropolitan Insurance Company Ltd.

The Metropolitan has created a furore in the Insurance world by underwriting a huge amount of business in the very first year of its commencement of business. This feat has all the more been remarkable in view of the fact that the Company was started only in 1930, when the country was in the grip of an acute financial blizzard. The Metropolitan has been able to enlist the services of a large number of tried workers in the line and with their zealous co-operation the Company is progressing rapidly towards the front rank of Indian Insurance Companies.

The Metropolitan has introduced several alluring Schemes, such as, Daughter's Marriage Provision Policy, Boy's Start-in-life Policy, Child's Higher Education Policy, Professional or Foreign Education Policy and Special Multiple Option Assurance. These schemes are designed to serve the requirement of a familyman without any appreciable

burden on the slender resources of the wage-earner.

The Annual Report and Accounts of the Company for the first working period ended 31st Dec. 1931, shows that proposals to the extent of Rs. 39,81,775 resulted into policies.

During the working period there has been a surplus of Rs. 37,116-14-7 in the life business.

The management of the Company is under the safe hands of Messrs. Bhattacharjee Choudhury & Co., who are its Managing Agents. This firm is reputed for the timely succour afforded to the decadent Banga Lakshmi Cotton Mills at the time of its impending crash, and Messrs. Bhattacharjee and Choudhury, the proprietors of the firm have found an abiding place in the heart of those who have the good of the country at heart for the timely services they rendered to the above Mills at the time of its sure doom which would have convulsed the business world of Bengal. We hope under their distinguished management the Metropolitan will leave up to the high ideals as contemplated by its sponsors.

The Northern India Insurance Company Ltd.

The above Company was started in the latter part of 1929 under the auspices of some distinguished public men of the Punjab. Col. C. R. Bakhle, Retired Inspector General of the Civil Hospitals of the Punjab, is the Chairman of the Board of Director who takes a very keen interest in the affairs of the Company. This Company has introduced some new and novel schemes which are very much attractive to the policyholders. The "All in one Policy" promises to give to the insured 200 per cent more than the standard contract of Insurance practice at no additional

cost. It provides a double indemnity in case of accidental death from any cause whatsoever and triple indemnity for death caused by accident to any vehicle plying for hire or while the insured is a passenger in a railway train or to a burning building. The Convertible Policy which offers true Life Insurance at a very low cost and reserves to the insured the right to convert the policy into an ordinary whole-life or endowment assurance by paying the ordinary premium chargeable under the table chosen with all arrears at 6½ per cent compound interest.

The second financial year of the Company was closed on the 31st March 1932. During the year under report 502 proposals for assurance aggregating Rs. 8,81,250 were received of which 328 proposals resulted into policies for Rs. 5,16,500 yielding an annual premium of Rs. 22,649-1-0. The total income of the Company was Rs. 28,217-9-9 and the expenses of management have consumed Rs. 21,886-7-6 which shows a decrease by 21 per cent. The Company is represented in the Eastern Provinces by Messrs. Karr & Co. as Chief Agents who, we understand are contributing a substantial quota towards the total business of the Company.

The Nagpur Pioneer Insurance Co., Ltd.

The Company was established in 1921 at Nagpur under the auspices of some notable businessmen of the Province. Though of recent origin, the Company has made good progress and it is in excellent financial position. The Life Funds as at 31st December stood at Rs. 1,61,342 for which the Company can show Government securities taken into account for not more than Rs. 95,247 (for which the present value is over Rs. 1,45,000),

fixed deposits for Rs. 61,110 and loans on policies for Rs. 17,323 totalling Rs. 1,73,680. On each of the above items, the Company is earning over 6 per cent interest per annum. The valuation done at the end of 1931 was done by Prof. Madhava on a very stringent basis in order to bring the company in line with the prominent life offices in this respect. The result was a surplus of Rs. 3,317.

In the year 1932, the Company's new business was over Rs. 6,20,000 which represents an increase of over 50 per cent over the 1931 figures. The Life Funds now exceed Rs. 2,00,000.

The Company is represented in Bengal, Bihar, Orissa, Assam and Burma by Messrs. A. K. Sen & Son, 5 & 6 Hare Street, Calcutta, under the guardianship of Mr. U. N. Sen, who is powerful a worker and a talented organiser. We hope Mr. Sen will help to bring the Company to the forefront among the indigenous ones.

New India Assurance Company Ltd.

New India is decidedly the largest Indian composite insurance undertaking and has an authorised capital of Rs. 6,00,00,000 of which Rs. 3,56,05,275 is capital issued and subscribed, and Rs. 71,21,055 is capital paid-up.

The Company was incorporated in Bombay in the year 1919 by a group of well-known and influential Indian businessmen with the object of transacting general insurance business in fire, marine, accidents etc., which, heretofore, was almost solely in the hands of foreign insurance companies. The success achieved by New India in the very first decade was so startling that a Life Dept. was added to its schedule in 1929, and to-day New India is in a position to offer insurance protection of every description to its policy-



Mr. N. B. Saklatvala C. I. E.



Mr. S. B. Cardmaster

holders, and no risk is considered either too big or too small by it.

Although the youngest, the Life Dept. of New India appears to be the most active and promising of all its departments. The great popularity of the Life Policies of New India is indicated by the enormous volume of new life business transacted by the department in the very first three years of its inception. In spite of the fact that this Dept. was started



Mr. Y. R. Patel

a little over three years ago New India is already amongst the "Big Five" Indian Life offices in point of its volume of Life business.

The Annual Report and Accounts of the Company for the year ended 31st March, 1932 shows that during the year 3863 policies were issued assuring Rs. 88,37,250 yielding an annual premium income of Rs. 5,09,100-4-0. The total number of policies in force is 5,129 assuring a sum of Rs. 1,16,44,816-13-6 of which Rs. 20,09,500 is re-assured. We reliably understand that the Company has completed nearly a crore worth of business during the year ending 31st March, 1931.

National Insurance Company Ltd.

The National is one of the Big Five of Indian Insurance Companies. The Company was established in 1906 during the stormy

days of Swadeshi Movement in Bengal by some prominent members of the European and Indian communities of whom late Mr. P. Banerjee was the most outstanding personality. The National has always kept in view the qualitative aspect of business rather than on quantitative and has always guarded itself against depreciation and the lowering of its standard.

The Company has all those up-to-date schemes which have made Life Assurance so popular to-day. The latest of such alluring schemes to come in the field is the Perfect Protection Policy of the National which in essence represents the principle of the Automatic Non-Forfeiture clause of several other companies. The National has truly been acclaimed as one of the soundest companies of India noted for its silent and unostentatious method of business. Besides, the organisation of the Company excels on the side of intensity rather than on frivolous extensivity. And the result has more than justified the wisdom of the system. Of late, it has made rapid strides towards progress and in order to serve its obligations more properly and with dignity worthy of its position, it has recently shifted its office to its own mammoth structure at 7 Council House Street.

The latest Valuation of the Company for the five years ending Dec. 1930 disclosed a surplus of Rs. 15,77,057 which has enabled it to declare a Bonus of Rs. 15 per thousand per annum on Whole Life Assurance and Rs. 10 per thousand per Annum on Endowment Assurance. Assurances in force at the end of the year are Rs. 6,55,70,916 and the Life Fund of the Company stands at Rs. 1,45,87,932. During the year 1931, 6,899 policies were issued by the Company assuring an

aggregate sum of Rs. 1,32,30,25. The net annual premium income attaching to the new life business for the year after deducting sums re-assured amounted to Rs. 6,17,142 and the Company's total premium income has increased by about Rs. 2,40,000. During 1932, the Company wrote a completed new business of Rs. 1,55,61,720 out of a proposed business of Rs. 1,96,70,000. Total assets of the Company as at 31st Dec. 1932 exceed over Rs. 1,90,00,000.

The Oriental Government Security Life Assurance Company Ltd.

The Oriental is the biggest Life Office in India. Established in 1874 the Company is the first proprietary Life Assurance Company in



Mr. H. E. Jones

India. About the Oriental it can at once be said that in point of the magnitude of work, sound management, huge organisation,

gigantic business figure, efficient propaganda and publicity service, the Company can well challenge any big foreign Insurance Company that has its weight in age and service. The variety of benefits of Oriental's policies, its innumerable schemes of life insurance which readily attract the imagination of the people, have done much in making Oriental what it is to-day. Its Perfect Protection Policy, Triple Benefit Scheme, Educational Annuities and Marriage Endowments are several of the attractive schemes diversified to cater to the diverse needs of the insuring public.

The Perfect Protection Policy provides that in the event of the assured's death during the first twenty years of the contract, guaranteed income, equal to 10 per cent per annum of the amount assured, payable from the date of the assured's death until the expiry of 20 years from the inception of the contract, when the sum assured becomes payable in full. Thus the widow and family can be guaranteed an adequate income until in most cases the eldest child has attained majority and the widow is relieved from all trouble and risk involved in arranging for a safe and remunerative investment of the policy moneys during the period in question. This Scheme is specially meant for young men who have just entered married life.

Oriental's Educational Annuity Policy is designed to provide for the higher educational facilities for sons. Under this policy the payment of premiums cease completely on the death of the parent during the son's life time, but nevertheless, the full amount of the annuity is payable in terms of the policy commencing on the son's surviving the term of years selected, while in the

event of the son's prior death while the policy is in force all premiums paid exclusive of the first year's premium, without any deduction whatsoever, will be refunded to the parent, or in the event of his previous death to his legal representative. The Marriage Endowment Policy of the Company is a source of great help to the familyman specially of the middle-class who find it a heavy burden on their slender resources to provide for the expenses of the daughter's marriage and dowries at a time.

By the Company's Trust Deed 80 p. c. of all premiums received after providing for payments to policyholders under the terms of the Company's policies, together with all interest accruing from time to time on the Trust Fund is required to be invested in the loans of the Government of India and the Government Paper deposited the Official Trustee for custody as a further addition to the Trust Fund. Participating policyholders are entitled to 90 per cent of the profits less the amount carried to the Reserve Fund. Policyholders who hold policies for Rs. 4000 and over have a right to attend the Company's meetings and exercise the vote at the same.

The 19th triennial valuation of the Company discloses a surplus of Rs. 1,16,23,543 enabling the Company to declare a Reversionary Bonus of Rs. 25 per thousand per annum on Whole Life Policies and Rs. 20 per thousand per annum on Endowment Assurance Policies. During the year ending 31st Dec. 1932, the Company issued 29,982 policies assuring Rs. 5,94,60,727 as compared with 26,486 policies assuring Rs. 5,34,50,954 during the previous years, recording an increase of 3,496 policies assuring Rs. 59,39,773.

The Oriental has got its office in Calcutta in its own gigantic mansion in 2 & 3 Clive Row and this Branch is under the charge of that distinguished insuranceman Mr. S. S. Nazir. Mr. Nazir has devoted a life time in serving his old love the Oriental and to-day, he is one of the most trusted captains of the Company who have contributed not a little in making Oriental what it is to-day.

Bihar National Insurance Company Ltd.

This Company was the first insurance company to be started in the province of Bihar. The management of the Company has recently changed hands. Messrs. Bihar Managers, the present Managing Agents of the Company have brought about a complete reorganisation in the affairs of the Company and has brought their rich experience to bear on the successful working of a really promising insurance institution of the province.

The premium rates of the Company are very low, and it provides all the latest benefits of insurance, *e.g.*, disability benefit, special revival scheme, liberal surrender values and others. The Directors include prominent and influential personages like Raja Kirtyanand Sinha, Raja Prithan Chand Lall Shaheb etc. The Company is showing signs of assured vitality. We believe there is a great future before this Company.

The Indian Mutual Life Association Ltd.

The Indian Mutual Life of Madras is a purely Mutual concern and one of the soundest Companies of the Southern Presidency. The Company offers a number of attractive privileges such as Double

Endowment Assurance, The Guranteed Triple Benefit Policy, and Marriage Endowment Policy.

The latest valuation of the Association for 4³/₄ years ending Dec. 31, 1930 showed a surplus of Rs. 19,095 and the Association declared a Bonus of Rs. 12-5 per thousand per annum on Whole Life Policies and Rs. 10 per thousand per annum on Endowment Assurances. The total assurances in force are Rs. 11,17,373. The Annual Report of the Company for the year ending 31st Dec. 1931 shows that the Company issued 405 policies of Rs. 5,51,751 which bring in an annual premium income



Mr. S. B. Mitra

of Rs. 28,935-13-0. The Life Assurance Fund of the Company to-day stands at Rs. 62,282.

The India Mutual has recently started a



Mr. P. Choudhury

Branch Office in Calcutta with Mr. S. C. Mitra, M. A., as the Secretary. Mr. Mitra is a resourceful worker in the line and under his stewardship we hope Indian Mutual will discover for itself a large productive field in the Eastern Division.

India Equitable Insurance Company Ltd.

The Company was started in Calcutta in 1908 by Dr. S. B. Mitra and ever since it is progressing steadily. The India Equitable has introduced several important features which have been of inestimable service to the policy-holders. Amongst its many features the Double Endowment Assurance, Short Term Assurance, Combined Whole Life Assurance and Endowment and Housing scheme are the most important.

The Valuation Statements of the Company as at 31st December 1929 disclosed a surplus

of Rs. 1,55,678 which has enabled it to declare a simple reversionary Bonus at the rate of $1\frac{1}{2}$ per cent per annum on Whole Life and 1 per cent. per annum on Endowment Policies. The Annual Report of the Company for the year ended 31st Dec., 1931 shows that 1,344 policies were issued by the Company assuring a sum of Rs. 21,56,000 with a new yearly premium income of Rs. 1,13,521. The total income during the year was Rs. 5,12,515 and the Life Assurance Fund now stands at Rs. 11,22,000.

The management of the Company is being very ably and cautiously conducted by Mr. S. B. Mitra a chip of the old block and Mr. P. Choudhury that distinguished insurance man, who are giving their best towards placing the Company on the bed-rock of sound finance.

The Star of India Insurance Co., Ltd.

The Star of India Insurance Co., Ltd. was established in 1928 at Lahore with the co-operation of a number of men of light and leading in the Punjab. The Company can also congratulate itself upon enlisting the assistance of a number of Rais and Zaminders of that province. One of the most striking features of the Company is its low expense ratio during the first few years.

The Company has a number of attractive features of which Double Endowment, Combined Benefit Policy, Marriage Endowment, Children's Endowment and Joint-Life Schemes are the most striking. The Directors' Report of the company for the year ending 31st Dec., 1931 shows that 306 policies were issued by the Company assuring the sum of Rs. 4,45,500. The premium income during the period amounted to Rs. 48,234-9-3 and

the Life Fund of the Company stands at Rs. 17,822-13-7.

The Company has opened a Chief Agency Office for Bengal and Assam in Calcutta and the work of organisation has been left into hands of Messrs. S. C. Das and S. P. Das



Mr. S. C. Das Mr. S. P. Das Parkayestha

Parkayestha, who are indefatigable workers in the line. They have underwritten for their Company increasing amounts of business having popularised it to a great extent in this part of India.

The Jupiter General Insurance Co., Ltd.

This is one of the leading composite insurance companies of India. Established in 1919 in Bombay, this Company can claim amongst its Directors some notable business magnates of the City of Bombay. The labours of such a strong Board of Directors as also of such an important firm of established business reputation as that of Messrs. Lalji Naranji and Co., its Managing Agents, have brought about the present position of the Company.

Apart from the many important features of general insurance business, the Company in its life department offers a number of new schemes to the insuring public, such as,

Double Endowment, Children's Marriage Endowment Policy, Children's Guaranteed Assurance, the Giltedged Policy, the Comprehensive Policy, Long Life Bonus Policy, Refund Annuity, Eight Option Policy and Educational Annuity etc.

The first valuation report of the Life department for the triennium ending 30th June, 1931, shows a divisible surplus of Rs. 28,689 which has enabled the Company to declare a reversionary bonus at the rate of Rs. 15 per thousand per annum in the case of Whole Life Policies and Rs. 12 in case of other classes.

The Report and Accounts for the year ending 30th. June, 1931, shows that 747 policies had been issued by the Company during the year assuring Rs. 15,07,500 and the actual premium income thereon being Rs. 88,100-7-0. The Life Fund of the Company now stands at Rs. 1,18,679-8--0 and total assurances in force are now Rs. 29,79,000.

To Mr. K. S. Ram Chandra Iyer, the able Secretary of the above Company, a word of tribute is due. Mr. Iyer is a distinguished insurance man and he has guided the company through different stages of its journey and placed it on the high road of progress.

The Dominion Insurance Co., Ltd.

The Dominion Insurance has recently been started in Calcutta and it can claim to have placed before its policyholders a number of novel schemes. The Company proposes to offer the benefits of a combined Insurance and Investment Bond Policy scheme and issues the following classes and amounts of Bond Policies :—

Class	Number	Bond Policies of	Amount
A	2,000	" "	Rs. 5,000-
B	2,500	" "	" 4,000
C	3,333	" "	" 3,000
D	5,000	" "	" 2,000
E	10,000	" "	" 1,000
F	20,000	" "	" 500
G	33,330	" "	" 300

The Bonds are payable either by 5 yearly instalments or by 10 half yearly instalments or by 20 quarterly instalments or by 60 monthly instalments with 3½ per cent extra in case of monthly payment. Altogether it is a novel scheme over which some thought may be given.

The Lakshmi Insurance Co., Ltd.

That an unostentatious and cautious management of affairs, a true spirit of honest service and a sheer compulsive force leading



Late Lala Lajpat Rai

to sacrifice can work wonders in the business world has amply been borne out in the case of the growth and development of the Lakshmi Insurance Co., Ltd. of Lahore. Started in 1924 under the distinguished auspices and under the fostering care of a zealous worker like Pandit Santanan, the Lakshmi stands to-day in a glorious position.



Mr. K. B. Mukerjee

The Company offers Golden Policy, Joint Life Scheme, Continuous Guaranteed Annuities and Pure Term Insurance which bring the benefits of Insurance to the door of those who most need it.

The valuation of the Company as at 30th April 1932 discloses a surplus of Rs. 5,36,435-5-2 which has enabled the Company to declare a reversionary bonus at the rate of Rs. 18 per thousand per annum on Whole Life Policies and Rs. 15 on Endowment Assurance. The latest Balance Sheet and Revenue Account of the Company for the year ending 30th April, 1932 shows that 3420 proposals resulted into policies assuring a sum of Rs. 70,88,740. The Life Fund of the Company to-day stands at Rs. 25,54,273-0-5.

The Taj Insurance Co., Ltd.:

The Taj Insurance was formed by Mr. S. L. Tuli, the distinguished Insurance journalist of Lahore. The Company was registered on the 27th Oct. 1930 and commenced life business from January 1931. The Company has introduced a number of schemes, which we are sure, will prove highly beneficial to our insuring public. Marriage and Start-in-life Assurance and Education Policy, Safety First Savings Policy, Taj Golden Policy and Family Provision Policy are some of the attractive privileges offered by the Company. The Board of Directors consists of a number of distinguished publicmen of the Punjab who have long been in public life and deserved well of their countrymen.

The Company has issued policies to the face value of Rs. 4,05,750 during the period ending 31st May, 1932 and its annual premium income is Rs. 24,026-15. The Company has been able to create a Life Fund of Rs. 3,112-5-7 a no mean achievement for a Company of such a tender age. We hope the Company will break all barriers and move on the path of progress.

The People's Insurance Company Ltd.

This Company was established in 1926 in Lahore under the distinguished auspices of some distinguished personages of the Punjab. The very fact that men like Sardar Kharak Singh, Lala Duni Chand, Dr. Kichlew and Sardar Sardul Singh are closely associated with the Company, is but a sure proof of its absolute reliability and sound financial stability. The Company provides Total Disability Benefit, Extension and Conservation Schemes, Perfect Policy, Happy Family Policy and Rupee Policy schemes.

During the year ending 31-12-31, the Company issued 900 policies assuring Rs. 10 laes, with a premium income of Rs. 30,000. Life Fund of the company stands at Rs. 1,08,000. We have reasons to believe that in the years to come the People's will show a yet brighter result and shall have occasion to congratulate itself upon the results thus achieved.

The United Assurance Ltd.

The above Company has just commenced operations in life business. It is transacting Provident Insurance business along with higher insurance. It is really gratifying to note that within the brief period of six months the Company has been able to write a large amount of business and has been able to enlist the co-operation of a distinguished batch of workers. It is expected that if the Company can keep up its present pace of progress, it will be able to establish itself firmly in the hearts of the people of the country.

Mr. U. N. Banerjee, who is in charge of the management, is a youngman of grit and idealism and he has already proved his worth by his very able management of the Life department. The Agency organisation of the Company has found a vigorous worker in Mr. Bhabaranjan Bose, the Agency Manager to whom no little credit is due for the sound expansion of the Company's business within so short a time.

The Hindu Mutual Life Assurance Co. Ltd.

The Hindu Mutual is the oldest life office in Bengal and the only Mutual Life office of the Province. The Company offers the lowest rate of premium and its policy conditions are liberal. Amongst the many attractive privileges, the Company offers Automatic

non-forfeiture privilege, Guaranteed Bonus Endowment Assurance and that its policies are not rendered void by suicide.

The latest Valuation Report of the Company as at 31st December 1931 discloses a surplus. The forty-first Annual Report for the year ended 31st Dec. 1931 shows that 389 proposals have resulted into policies during the year assuring a sum of Rs.5,05,000. The total number of policies in force on 31st December, 1931 was 2,111 assuring Rs. 26,43,048-5-4. The Life Assurance Fund of the Company stands at Rs. 4,30,771-1-11.

A word of tribute is due to Mr. P. C. Roy, the Secretary of the Company who has piloted the Company through troublous times with consummate skill. He has infused fresh life into its decadent organisation and it is expected that in the years to come Mr. Roy will have the satisfaction of finding his company grown into a stately tree shorn of its rotten branches.

The United India Life Assurance Co., Ltd.

Being established in 1906, the United India Life can claim to be the premier life office of the Southern Presidency both as regards its solid financial position and by its very able and economic management. The company has reached a high water-mark of absolute soundness reached up by years of silent and steady step. The management is very economical and highly efficient. It has invested a large amount of money in Government and other securities authorised by the Indian Trust Act.

The last Valuation disclosed a surplus of Rs. 5,95,183 out of which provision was made for Reserves and Dividend for policyholders. The Directors were able to declare at Bonus of Rs. 22-8 per thousand on Whole Life

and Rs. 18 on Endowment Assurance excluding previous bonus of the sum assured for the preceding quinquennium.



Mr. M. B. Dutta

During the year 1931, policies numbering 2,799 were issued by the company for an aggregate sum of



M. Hossain Choudhury

Rs. 42,94,000. The Life Assurance Fund of the Company stands at Rs. 36,83,483-1-7

and total assurances in force are Rs. 1,71,49,728-4-1. The premium income during 1931 was Rs. 8,75,391-9.

The Company's organisation in Bengal, Bihar, Assam and Orissa is entrusted to Messrs. Choudhury Dutta and Co.—the firm of its Chief Agents with their central office at Calcutta. Mr. M. B. Dutta, the guiding genius of the firm is underwriting a huge amount of business for the company in this area with the help of a large number of respectable workers and assisted by his distinguished colleague Mr. Muazzim Hussain Choudhury better known as "Lal Meah." We wish Messrs. Dutta and Choudhury all success in the greating labour before them.

The Unique Assurance Co. Ltd.

The Unique Assurance Co., Ltd. is one of the most progressive Life Offices of Calcutta which could count upon the patronage of the late Deshabaundhu Chittaranjan Das at one of the critical stages of its life on the wake of the Great War. Of late the Unique Assurance is showing great vitality in its management and has introduced a number of new schemes to fit in with the requirements of the diverse section of the insuring public.

The Balance Sheet and Revenue account of the Company for the year ending 31st May, 1931, discloses that the Company issued 1,023 policies aggregating an Assurance of Rs. 14,13,250. In its latest valuation the Company has declared a Reversionary Bonus at the rate of Rs. 10 per thousand on whole Life and Endowment Assurances.

Venus Assurance Company Ltd.

This Company was established in 1919 as a provident Company. The remarkable

progress of the Company as a provident concern prompted its management to start the life business, and it was converted into an Insurance Company in the year 1925.

The Company has issued several novel schemes both in its provident and life Department. We understand that the Company has made rapid strides in the provident business as a result of introducing its co-operative Benefit scheme.



Managing Director, Venus Ass. Co., Ltd.

The first Valuation of the Company as at 31st March, 1931, disclosed a surplus of Rs. 5,440. Out of this surplus, a reversionary bonus for one year only at the rate of Rs. 10 per thousand sum assured has been declared. During the year 1931, the Company issued 468 policies assuring Rs. 7,08,000 with a premium income of Rs. 34,591. The Company is progressing rapidly and we have every reason to believe

that it will very soon rank as one of the foremost life offices in India.

The United National Insurance Co., Ltd.

The United National is one of our new concerns which has progressed marvellously in recent years and has wellnigh overtaken many of its senior sister companies in point of growth and development. It claims among other things to have offered the benefit of Extended Insurance to its policy-holders.



Mr. F. N. Bose

The Company's organisation is restricted to a few chosen spheres and it operates in such fields with the ever-growing patronage derived from its inhabitants. In Calcutta the Company has established a Branch Office at 15, Clive Row, which is under the charge of Mr. Panindra Nath Bose, their Organising Manager for Bengal, Behar, Orissa and Assam.

There are a few special features the Company that need mention. One of its schemes, which is very popular with the public is what is termed *Anna-A-Day* Policy.

Under this plan, the policy-holder receives from the Company a De-Luxe Coin Controlled Clock, that takes winding only after the insertion of a coin, once in 24 hours. The policy-holders accumulate therein one anna-a-day, which savings are collected through the Company's authorised collectors at the end of every month. An Anna-a-Day is all that the Policy-holder pays for getting an Insurance Policy, which in the case of a young man aged 20 years and agreeing to pay an anna-a-day for life, will secure for his dependents Rs. 986-12-0 at death. Persons unable to save anna a day may provide half-anna-a-day and receive Policy for half the amount.

The Company has introduced a well-organised Policy-holders' Service Department. They have a Savings Department, under which policy-holders deposit with the Company their surplus savings which bear interest. Withdrawals are made when needed by the means of cheques furnished by the Company. Policy-holders may instruct the Company to appropriate premiums on a Policy on due dates from out of the amount lying to the credit of the Savings Account, and thus save the policy from lapsing through oversight to remit premium within the days of grace.

The Company further issues a *Quarterly* magazine for the benefit of its policy-holders, which contains instructive articles and information about the Company's progress. It is the link between the agents, policy-holders and the Company that is beneficial both to the agents and their clients and generally result in a better understanding of the fundamentals of Life Insurance by the assured.

The result of the latest annual accounts

for the period ending March 31, 1931 shows that the Company issued 1,096 policies for a net sum of Rs. 16,43,182.

Vijayalakshmi General Assurance Company Ltd.

This above Company has been floated by Mr. D. Chenchia, B. Sc. (U. S. A.), for transacting life business. Mr. Chenchia is



Mr. Swami Venkatachalam Chetty

also the founder of the Jai Bharat Insurance Company Ltd. which has been operating as a provident company for sometime past. The Jai Bharat Insurance Company has proved a highly successful and progressive office which is at once a glowing testimony to the managing and organising capacities of its founder, Mr. Chenchia. The following figures will give some idea as to the truth of above remarks :



Mr. D. Chenchiah



Mr. G. C. S. Lingam

No. of Policies issued Over 29,000
 Annual Premium Income Over Rs. 3,00,000
 Investment in Govt. Securities.

Fixed Deposits etc. Rs. 1,00,000
 Total Claims paid Over Rs. 1,56,000

Encouraged by the results of the provident Company, the Vijayalakshmi Insurance Company has been started for transacting life business.

The authorised capital of the new Company is 5 lakhs of rupees, divided into

50,000 shares of Rs. 10 each. The Managing Agents and their friends have already secured paid-up share capital of almost Rs. 1,00,000 and the necessary security deposit has also been made with the Government of India.

Mr. S. Venkatachalam Chetty, M. L. C. is the Chairman of the new Company. With the enormous resources and organisation at its back, the Company is expected to do marvels in the field.

NOTES AND GLEANINGS OF THE MONTH

The Funeral of Gold

Gold as a standard of currency had been discredited for some time past for its inability to fulfil the purposes of an ideal standard. It was discarded in Great Britain, Germany, Japan and many other countries and the last stronghold and the upholder of its superiority, the United States of America has at last followed in the beaten track. The reasons, are, however, pretty known : moreover, the historical retrospect is rather a long story. Broadly speaking, gold besides being the standard of currency is subject to other conditions of demand and supply which affect its value reacting on prices and international trade. When this maldistribution precipitates through the manufactures and other goods with a consequent reaction on wages, the standard of the "barbarous relic" can no longer be maintained. This has been particularly the case first with Great Britain and then with America.

But what concerns us more is the repercussions of these developments in America on India. Although it has not been officially declared that America had gone off the gold standard, but the present state would mean a lower gold parity of the dollar. If the result is the stabilization of the dollar at a lower level, that is, a lower dollar exchange in terms of sterling and the rupee, America will not only be rendered less important as a market for our produce, as for example, jute

and jute manufactures, but she will also become more formidable as a competitor of Indian cotton. With a depreciated dollar, the danger of American competition in the Indian market would be somewhat real. The best course for the British currency authorities would be not to allow sterling to appreciate inordinately in relation to dollar, since that would be harmful both to British and Indian industries. We may hope if the present financial *impasse* rouses America and modifies her attitude towards war-debts, reparations and tariffs, some permanent good may attend the fate of the panicky nations of the world.

The White Paper and Bengal's Finances

It is a matter of some gratification to find that the financial implications of the reforms should have been modified to a certain extent far as Bengal is concerned. The injustice of the financial administration under which Bengal had been labouring for the last few years is too patent to be discussed here. Bengal under the new dispensation will be entitled to half of the jute export duty and some portion of the income tax. Although we find no reason why the entire jute export duty should not have been allotted to Bengal to which it rightly belongs. We have some consolation in that nearly 5 crores on a rough estimate would come to Bengal on account of half the jute export duty and income tax, the exact proportion of which has not yet been announced. Credit is due to Sir N. N.

Sircar whose advocacy and propaganda in favour of Bengal's financial readjustment in the Third Round Table Conference focussed the attention of all concerned into the matter.

There is, however, a limited scope for jubilation. For, although Bengal's revenue receipts may increase by 5 crores, there would be correspondingly equivalent, if not greater, demands for expenditure under the new constitution, especially in the nation-building departments.

Extension of Salt Duty

Sir George Schuster, the Finance Member, has expressed a desire in the Legislative Assembly for extending the existing duty on salt. It is his purpose to make India self-sufficient in regard to the supply of salt by the imposition of this duty. This is a pious wish. But we have always advocated the abolition of salt duty since it has failed to achieve the purpose for which it was imposed. A protective duty of 4½ annas per maund was imposed in 1931 on all imports of salt. Although the duty restricted the imports of foreign salt to a great extent, the imports of Aden salt has come upto the highest figure. Instead of helping the Indian industry, it has provided a fillip to the vested interests at Aden. It was quite justified, therefore, that the Members from Bengal protested vehemently against this additional duty, since Bengal, Behar, Orissa and Assam are the only provinces where imported salt finds its market. Bengal alone consumes nearly 60,00,000 maunds of foreign salt and has no salt manufacturing plant of her own. So, if the Government of India want really to develop the indigenous salt industry and make the country independent of the supply of foreign salt, it would be a much wiser

policy and better programme to give bounty to the industry and help the growth of plants in Bengal, Behar, Orissa and Assam.

Wheat Import Duty

Due to continued slump in wheat all the world over as a result of over-production, dumping, economic crisis and allied causes, the Government of India want to extend the scope of the operation of the Wheat Import Duty Act of 1931, for the protection of agriculturists' interests. As a matter of fact, cultivation of wheat in India would have completely vanished but for the import duty already in existence. Although the extended duty would act in detriment to the interests of consumers, the burden cannot be said to be borne by one particular class or one particular province. It is shared by all classes and provinces alike. Foreign wheat is much cheaper than the indigenous wheat. Lyalpur sells the brand of wheat at Rs. 3-4-6 per maund which Australia sells at Rs. 2-10-8. Sir Joseph Bhore said that personally he disliked import duty on wheat but the conclusion was irresistible that unless the import duty was maintained foreign wheat would swamp Indian markets and squeeze out agriculturists although the consumer's interests lay in the opposite direction. India has ceased for some time to be an exporter of wheat although there is a surplus of production over domestic consumption, for world economic reasons. It is, therefore, absolutely necessary to stop the imports of wheat at low prices.

Japanese Competition in Textiles

Till the month of November, 1932, the additional import duties imposed in August last did not seem to have had any effect on the inflow of Japanese goods. This was

largely to be attributed to the depreciation of the yen since the Tariff Board made its recommendations and the additional duties were in consequence neutralised.

In December, 1932, however, Japanese imports have taken a different turn.

In a statement issued by the Bombay Millowners' Association, it appears that there was a substantial drop in the imports of cotton piece-goods from Japan during the month of December, 1932. Imports of all classes of cotton piece-goods for the month amounted to 27 million yards, as against 29 million yards in November. Japan's share of these imports amounted to 15 million yards—a drop of 4 million yards as compared with November. The share of the United Kingdom amounted to 10 million yards as compared with 8 million yards in November. There was a fairly substantial fall in the takings of artificial silk piece-goods during the month. The actual figure was 6.5 million yards as against 8.2 million yards in November.

Russia "Silver Crazy" ?

A message from Moscow States that Soviet Russia is being swept by a silver-rush that outdoes Britain's great gold-rush recently. All over the Republic, peasants were "cashing in" old knives, forks, spoons, ornaments—anything containing silver. The reason is that "Torgsin" shops, in which roubles are worthless and only foreign gold currencies are accepted, have now agreed to take silver as well. Hoards of old silver have been produced, the owners waiting in long queues to exchange their valuables for food, clothes and luxuries obtainable only at "Torgsin." Silver is being exchanged at the rate of one Kilogram (2.205 pounds) for twelve

roubles—and twelve roubles in gold buys a pair of shoes at "Torgsin." A kilogram of butter can be had for 137 grams of silver.

State Insurance in Travancore

State monopoly of insurance in our Native States and its adoption with certain modifications by the Government of India was advocated in these columns some time ago. We have been glad to find that the Government of Travancore has decided to introduce a scheme of life insurance for all natives of Travancore and persons permanently resident in the State. The scheme takes effect from April 13 next and is distinct from the insurance scheme for government servants already in operation in the State. Government in the orders sanctioning the scheme expresses the opinion that the scheme will be of immense benefit to all classes of people and adds that rules have been framed to suit the convenience of all, enabling even people of the artisan and other working classes to take out policies of Rs. 100 and multiples thereof.

Kubelik in Motor Crash

Jan Kubelik, the famous violinist who performed in Calcutta and Bombay quite recently, has been injured in a motor accident in Prague. Some of his ribs were fractured, and he received several bruises, but his hands, which are insured against injury for £ 20,000, are safe and so is his Stradivarius violin, which he had with him at the time. It was reported in these columns that Kubelik's fingers are insured at so high a figure, and the insurance on the left hand being much more than on the right.

Christmas Eve Takes its Toll on the Street

The National Safety First Association of London states that there were more fatal

accidents on the roads on Christmas Eve than on any other day during 1932. The statistics are not yet complete, but it is practically certain that the number of fatal road accidents in 1932 was greater than the number in 1931. During 1931 the number of deaths arising out of road accidents was 614 less than in 1930, which was the first time for ten years that the total in one year had been less than that of the previous year.

Health Insurance in Japan

A recent development concerning the protection of the health insurance scheme, which has been in force since 1926. The first Health Insurance Act was put into effect from that year and has been working efficiently since. The objects of the Act are to confer benefits to the labourers, for sickness, injury, maternity and death. Under the Act, the claims of an insured to the above-mentioned benefits are valid even if sickness, injury or death do not take place during the course of the work or in consequence of being employed in some kind of work. Medical treatment for sickness and injury begins when required. Health insurance is mainly financed by contributions from the employers and the employees. In addition there is a state subsidy. The Health Insurance Act stipulates that the contributions of the employers and the employees should be equal. The contribution of the employer for the worker whose daily income is less than fifty-five sen is calculated on the basis of the rate charged for an income of fifty-five to sixty-five sen a day. The worker with a small income in practice has therefore to bear less than one-half of the premium. Regarding the maximum contribution from workers a limit is fixed by the Act, which

says: "The amount of the insurance contribution to be borne by the insured person shall not exceed three per cent. of his daily remuneration."

New Japanese Menace

Japanese shippers, it is reported, have offered to transport rice from Rangoon to Indian ports and Ceylon at freight rate which work out at about fifty per cent. below the rates at present charged under the existing shipping agreements. If the negotiations with the rice importers prove successful it is anticipated that the imported rice will be marketed at considerably cheaper prices than hitherto, proving of considerable benefit to local consumers. It is understood that the question was discussed at an entertainment given by the Ceylon rice merchants to Lord Inchcape during his recent visit but what was the result thereof is not known.

Indian Tea for Russia

The Indian Tea Association (London) announce that negotiations have been concluded for the sale to Centrosojus (England) Limited, of a large quantity of tea for sale to Russia during the present year. The tea will be supplied from over a hundred tea planting concerns. The quantity already arranged for is over seven million pounds but it is contemplated that it may be increased to ten million pounds. A similar agreement was made over a year ago, but this year's agreement covers a considerably larger quantity of tea and many additional companies.

The Hindusthan Co-operative Insurance Society Ltd.

The Directors and management of the above Society were "at home" to members and their friends on the 25th February, 1933.

NOTES AND GLEANINGS OF THE MONTH

at the garden house of Sir Hari Sankar Paul, DumDum, Calcutta.

Sj. Kishori Lal Ghosh

The untimely death of Sj. Kishori Lal Ghosh, long connected with journalism and Trade Union Movement in Bengal creates a void in our public life which is too great to be filled up. The closing years of Sj. Ghose's life were a series of tragedies enacted in close and quick succession which ultimately led him on to the other side of the grave. Sj. Ghosh stood manfully the troubles and worries of the historic Meerut Conspiracy Case with remarkable fortitude worthy of a man of his idealism, and it is sad to contemplate that before he could fully breathe in the bracing atmosphere of a free life, the cruel hand of death snatched him away. He was an enthusiastic votary of journalism and his love for journalism was only equalled by his passion for public service. As a prime mover of the formation of the Journalists' Association of which he was for a long time the General Secretary, he gave not a little of his time towards giving a tone and colour to the infant organisation which has grown into a virile institution that it is to-day. As fellow journalists we offer our sincerest condolence to the bereaved family.

Late Rabindra Nath Maitra

We have received with deep regret the tragic news of the sudden death of our friend, Sj. Rabindra Nath Maitra. He was not only a journalist and litterateur of versatile parts but also a devoted worker to the cause of social harmony and the uplift of the untouchables. He was also a distinguished Insurance worker who knew his job well. He was vastly read in Insurance and had the inestimable quality of attracting ambitious youngmen in the contagion of his enthusiasm. His power of the head and heart were sufficiently explained by the unusual popularity and fame that were his within such a short period and at so early an age. His loss will be greatly felt by not only his relations, friends and admirers but also by those dumb millions whose cause he so fearlessly fought for.

May his soul rest in eternal peace !

Indian Insurance Agents' Conference

The Second Session of the Indian Insurance Agents' Conference will be held on the 23rd and 24th April next. Mr. K. K. Banerjee, Secretary of the Reception Committee, has issued an appeal in which he has requested the insurance workers to send in their resolutions at the Indian Insurance Institute, 20, Strand Road, Calcutta, to be placed before the Subjects Committee of the ensuing Conference on or before the 15th April, 1933. We hope, all insurance agents of the country will lend their sympathetic assistance and co-operation in order to make the Conference successful, as they did in the previous session. We wish the Conference all success.

The Late Mr. Suresh Chandra Sen

We have been extremely grieved to receive the news of the death of Babu Suresh Chandra Sen, Honorary Secretary of the Indian Insurance Agents' Association, Mymensingh, on the 1st March, 1933. He was a veteran insurance worker and possessed a charming disposition. He took a vital interest in the social life of his fellow workers and was instrumental in bringing the Mymensingh Association into being. May his soul rest in peace ! Recording their sense of sorrow and loss at the death of Mr. Sen the Indian Insurance Agents' Association passed the following resolution at an extra-ordinary meeting held on 3rd March, 1933 !

This meeting places on record its deep sense of profound sorrow and bereavement at the sudden and premature death of Babu Suresh Chandra Sen, Honorary Secretary of this Association, who by his varied experiences as an Insurance Agent for about 30 years and by his gentle manners and amiable disposition not only took a keen interest in paying the way for the uplift of the cause of his fellow workers, but also in making the existence of the Insurance Agents glorious and offers its sincerest condolence to the bereaved family and tender its respectable homage to the departed soul.

Insurance World "At Home"

The Second Anniversary of the *Insurance World* was celebrated on the 19th February last at 4, Badurbagan Row, Calcutta. In spite

of the inclemency of weather, a distinguished gathering graced the occasion with their presence. Besides refreshments, the guests were entertained with delightful music and dances, for which all credit is due to Mrs. S. C. Ray, and Mr. Ray, the Editor. Among those present were :

Mr. Nalini Ranjan Sarker, Rai Bahadur U. C. Chakladar, Rai Bahadur A. C. Banerjee, Mr. S. S. Nazir, Mr. I. B. Sen, Moulvi Mujibar Rahman, Dr. D. N. Moitra, Dr. Nalinaksha Sanyal, Miss Jyotirmoyee Ganguly, Mr. S. C. Das, Mr. Charu Roy, Mrs. Maya Roy, Mrs. Bella Haldar, Prof. Khagendra Nath Sen, Mr. S. P. Basu, Mr. S. C. Mazumdar and others.

The Indian Insurance Institute

The Members of the Council of The Indian Insurance Institute were "at home" to the representatives attending the Annual Meeting of the Life Offices Association on the 21th February, 1933, at the offices of the Institute. Among those present were Sir Lallubhai Samaldas, Messrs K. C. Desai, K. S. Ranechandra Iyer, J. P. Dutia, Byramji Hormusji, J. M. Cordeiro, S. B. Cardmaster, T. C. Kapur, G. L. Mehta and S. S. Nazir.

Sir Nilratan Sircar, President of the Institute, welcoming the guest referred to the rapid and steady progress of Indian Insurance and hoped through the efforts of leading persons like the guests present, further achievements would be made.

Mr. K. C. Desai, the newly elected President of the Indian Life Offices Association replying on behalf of the guests, thanked the Institute for the invitation and thus giving them an opportunity to meet insurance workers of Bengal. He complimented the Institute for its useful work.

Sun Life of Canada

Mr. Khagendra Nath Sen was entertained at a Farewell Party by members of the staff of the Sun Life of Canada at Calcutta, on the eve of his retirement. Mr. Sen had been associated with the Company for nearly 28 years and is loved by all for his amiable disposition. The Farewell Address presented to Mr. Sen was mounted on silk,

and he thanked his colleagues for the artistic souvenir which he would preserve for ever as a memento of the long association with his loving co-adjutors. Mr. C. H. Allen, District Secretary, presided over the meeting, and gave a neat speech appreciating the qualities of the head and heart of Mr. Sen.

The Andhra Insurance Co., Ltd.

Owing to rapid expansion of business and demand for a similarly expanding accommodation, the offices of Messrs. Roy & Co. Chief Agents of the above Company for Bengal, Bihar, and Orissa and Assam have been shifted to 14, Hare Street, Calcutta from the 1st March, 1933. All correspondence and remittances should be addressed to the new address.

Insurance Education Society

We are glad to find that a fresh and renewed attempt has been launched to revive the Insurance Education Society along the lines originally contemplated for it. An appeal to this effect has been made by Mr. Hemanta Kumar Sarkar and Dr. S. C. Roy, the prime movers of the Society. It will be recalled that the Society was incorporated with the Indian Insurance Institute, Calcutta, so that a joint effort might be made to realise the objects of the Society. But unfortunately no such effort has yet been made. It is only meet that the original promoters have taken it up in right earnest to revive it immediately. Their appeal is published elsewhere in this issue.

Dr. Sanyal Gaoled

It would be a matter of concern for the constituents of this journal to note that Dr. Nalinaksha Sanyal, M. A., Ph.D (London), late Editor of *The Insurance and Finance Review*, who was arrested for being Chairman of the Reception Committee of the Indian National Congress, Calcutta, has been sentenced to six months' rigorous imprisonment. We received the information while going through the final proofs of these notes. So we are not in a position to give detailed news in this regard besides the fact that he has been placed in the "B" class.



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Mng. Editor—Dr. S. C. ROY, F.R.C.S. (Lond.), F.R.E.S. (Lond.)

Editor—MONINDRAMOHON MOULIK

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Editorial

Financial Safeguards

Criticising the White Paper has become the fashion of the day. The White Paper has been scanned beginning from the philological and terminological significance of the term to the proposed measures of political reform and has been commented upon very widely and profusely in India. Every school of political thought in India, or what is generally called the politically-minded India, has expressed its sense of disappointment at the reform proposals, and some have completely denounced them. Congress and Government are both faced with a crisis and in the struggle that will follow will either emerge a new method of action or India will be doomed for ever to a mere pawn in the game of British statesmanship. But we are afraid we are digressing on politics. Politics are not, of course, anathema to us

especially when the destiny of 350 millions of people or nearly one-fifth of the entire human race is involved, with reference to their political, social and economic welfare. Still what we are concerned with here most is the last aspect of economic welfare, importance of which has sometimes been lost in the heat of controversy and polemics on the political aspects of the White Paper.

So far as the financial proposals embodied in the White Paper are concerned none are more important and intricate than those of federal finance. Beginning from the Simon Commission and the Layton Scheme we have seen one by one the proposals formulated and policies enunciated in the Round Table Conferences, Sub-Committees, and the Peel and Percy Committees, and the plan of federal finance incorporated in the White Paper is supposed to have been evolved

out of those deliberations. But it has disappointed exceedingly those people who believed that complete financial responsibility would be vested in the centre and financial autonomy would be granted to the provinces. Financial responsibility constitutes the very key-stone of self-government, but the Federal Ministry has been placed under the clear and definite drawbacks of the interference by the Governor-General or Secretary of State, which are designed not to be in the interests of India, especially in the early stages of the new regime. These drawbacks are known as "Safeguards", and in as much as they refer to financial affairs they have been called financial safeguards.

The White Paper has reserved to and placed upon the Governor-General a special responsibility for safeguarding the financial stability and credit of the proposed Indian Federation. To use the words of the White Paper :

"The Governor-General will have power to step in, if the need should arise, in the event of the policy of his Ministers in respect, for example, of budgeting or borrowing being such as to be likely in the Governor-General's opinion to endanger seriously the provision of resources to meet the requirements of his Reserved Departments or any of the obligations of the Federation, whether directly or indirectly by prejudicing India's credit in the money markets of the world."

We wonder how the Governor-General,

being a human being as he is, would be in a position to take the responsibility for such a complexity of burdens, if need arises, and to make use of the various special powers conferred upon him. Perhaps the Financial Adviser will become, as he is designed to be, the conscience-keeper of the Governor-General in financial matters. We have no doubt that these safeguards will prove, in spite of the assurances that they will not be frequently exercised, to be great barriers to India's struggle for economic independence.

It has been provided that before the first Federal Ministry comes into being, a Reserve Bank, free from political influence will have to be set up by the Indian legislation and be already operating successfully. It is proposed that the Reserve Bank should be entrusted with the management of exchange and currency and certain conditions are indicated as being necessary for the establishment and successful operation of such a bank, -namely :

(a) The Indian budgetary position shall be assured.

(b) The existing short term debts in London and India shall be substantially reduced.

(c) Adequate reserves shall be accumulated.

(d) India's normal export surplus shall be restored.

So long as the present financial policy of the Government of India remains unchanged,

conditions for the successful working of the Reserve Bank cannot be fulfilled; as for example, so long as the gold exports continue, the normal exports of India cannot be restored. Without belittling whatever advance the White Paper has provided, we are inclined to consider the safeguards together with the persistent wrongs done to India's economic interests by the Government, not likely to promise a glorious future for India, for the Governor-General's special responsibilities for finance and other subjects are very real safeguards.

The White Paper will now be reviewed by a Parliamentary Select Committee, and it is expected that some amendments will be necessary. So far as financial provisions of the Reforms are concerned, the members should keep in view that without an economic recovery of a far-reaching character, the reforms would not be worth the name. Uncertainty breeds unrest, and the ability of the reforms to restore stability will be the sole test of their usefulness.

The Bengal Census

After two years have elapsed since the enumeration, the Bengal Census figures have been published. The Report is of great importance to us from more than one point of view. It covers such a wide range of subjects and presents so various aspects of the population and allied problems of the province that we can hardly discuss here more than only a few outstanding features.

In the first place, the population has increased from 17½ millions to 51 millions during the decade, 1921 to 1931. This brings us face to face with the question whether Bengal is overpopulated, as Mr. Porter is inclined to be afraid of the tremendous pressure of population on the soil of Bengal. He visualises this by a comparative analysis of the population statistics of other provinces. The area of Bombay is nearly twice as great as that of Bengal; yet Bengal's population is twice as great as that of Bombay, twice as great as that of the Punjab, and three times as great as that of the Central Provinces with Berar, and Burma. Mr. Porter is one of those followers of Malthus who have been obsessed by the population problem in relation to food supply in India. A little investigation will show, however, that India is far from being overpopulated, in the economic sense of the term "overpopulation." There are indeed many symptoms which do not point to overpopulation. Cultivators, as the recent slump has shown, have had difficulty in selling their produce, and it is well-known that the ability of the country to feed its population is considerable. Sixty-five per cent of the area is available for cultivation, but the net area actually sown with crops during 1928-29 was only 31 per cent of the area available. Besides, if one has seen the results of irrigation in the Punjab, where three or four decades ago there was desert, and where to-day there are

wheat-fields with miles of canals, one realises how unduly the English economists exaggerated that land was limited, that the best quality of land is cultivated first, and that the law of diminishing returns in agriculture early comes into operation. Similarly, there are in Bengal vast areas of land in the western divisions which are capable of yielding increasing output of crops if proper irrigation is provided there. The second factor which denies the overpopulation theory is the fact that population has increased less rapidly than production. The growing consumption of simple luxuries (imported) and the way in which the peasantry has withstood scarcity, famine and the catastrophic fall in the prices of primary products, are further factors that do not suggest a relatively excessive population. Moreover, the increasing productiveness of industry should also be taken into consideration. We share the views of Prof. Findlay Shirras who has observed the following (*The Economic Journal*, March, 1933) in this connection: "There is ample scope for more diversified industry, which would add greatly to the national income, if only education were more widespread, the low standard of comfort that exists would certainly be increased." This is a sad commentary on Mr. Porter's remarks on the low diet of Bengalees. If the Government is apathetic towards the development of industry and raising the standard of living of the masses, mere lip sympathy

with their low conditions of living is an ugly sarcasm.

The cost of Bengal's Census has been nearly 5 lacs of rupees. But even at this cost the Report could not be made complete. Some very important figures that are lacking are the unemployment statistics. The Government, by making the entries about unemployment optional, have missed a great opportunity of measuring the immensity of the problem that confronts Bengal. We hope they were not afraid to take proper cognisance of the unemployment problem. Roughly, over two-thirds of Bengal's population are engaged in the "production of raw material, and non-cultivating rent-receivers in Bengal number 783,755 while only 40,357 persons are engaged in the "Service of the State."

One interesting feature of the Census revelations has been the persistence of the predominance of male population over female. The males outnumber the females by about 2 millions. This is a characteristic which was revealed by the last seven censuses and is becoming more marked now. Another curious thing has been the fact that from the beginning of the census the Dacca and Chittagong Divisions have shown the greatest increases in population and have greater population than other Divisions.

Literacy still stands very low in Bengal. What has the rule of 175 years of "benevolent despotism" to say on this? Barely 9 per cent of the whole population is literate.

Among the males, about 15 per cent are literate while of the females, the percentage is less than three. The percentage of literacy among the Muslims (both sexes) comes upto about 5 per cent, and that among Hindus is about 13·5 per cent.

The Census reveals drawbacks in many directions among the Bengali people for which the Government is more or less responsible. Can we not expect that a responsible government should try to remove these evils as soon as practicable ?

Federation of Indian Chambers of Commerce and Industry

The Federation at its annual meeting this year held at New Delhi considered many vital problems of the country in regard to currency, trade and commerce and passed several resolutions on them of a far-reaching character. In spite of small disturbances that took place in the meeting, the proceedings have revealed a determined attitude on the part of members towards removing the barriers standing against the economic betterment of the country. The Federation is a thoroughly competent body to speak with authority on the economic and financial matters of the country, and we urge upon the Joint Select Committee to take its resolutions into consideration while bringing about the final amendments to the proposals of the White Paper.

Among the resolutions passed, that for

placing an embargo on gold exports from India received a strong support from the members. Sir Chunilal Mehta pointed out that it was unfortunate that the gold and exchange policy of the government was not in the interests of the country. The Government's attitude in not taking advantage of the opportunity to accumulate gold but actually facilitating its export was unique. Mr. Nalini Ranjan Sarker, who moved the resolution, argued that the Government should not only place an embargo on gold but buy gold in India for the purpose of strengthening currency reserves. Mr. Sarker further pointed out it was necessary to restrict imports now and encourage exports to the extent of restoring the normal volume. The Government should take steps to restrict import of goods and if the present level of exports could not support the present volume of imports, the Finance Member instead of allowing free export of gold should either stimulate exports or reduce imports.

Resolutions on gold and currency were moved together, the text of which is as follows: The resolution on gold: "This Federation views with alarm the continued outflow of gold from India valued at over Rs. 120 crores since September 1931 and regrets the policy of inaction on the part of the Government of India in spite of strong protests by the Indian mercantile community in view of the huge loss of immense potential strength which the gold resources of India

might have supplied to the future reserve bank, this Federation reaffirms the necessity of steps being taken forthwith by the Government to put an embargo on the export of gold and buy gold in India for the purpose of strengthening the currency reserve at rates equivalent to sterling rates of gold in London"; the resolution on currency: "This Federation protests against the Government policy of keeping the rupee linked to sterling and urges that rupee should be allowed to find its own level."

Sir Purshottamdas Thakurda: was responsible for the resolution protesting against the partial restoration of the cut in the salaries of Government servants without first giving any relief to the tax-payer. He maintained that as long as the Military Department was the special solicitude of the Government of India under instructions from London, tax-payers' interests in India were bound to suffer. A substantial reduction of the military expenditure was not only due but long overdue.

The Federation adopted the resolution, moved by Seth Kasturibhai Lalbhai, regarding income-tax to the effect that the Government ought to abolish the surcharge now levied on income-tax and super-tax, to lower substantially the present high rates of income-tax and super-tax, to raise the amount of

minimum taxable income from Rs. 1,000 to Rs. 2,000, to amend the Income Tax Act so as to provide for a set-off for losses sustained in any one year against profits for three subsequent years and to provide that appeals from Income Tax officers, both on points of fact and law, should lie to an independent tribunal.

The Federation also adopted a resolution urging the release of Mahatma Gandhi and other political prisoners.

The Federation strongly opposed the formation of a Statutory Railway Board by Parliamentary legislation on Indian Railways "as it is not only tantamount to a repudiation of the autonomous powers of the Indian Legislature but militates against the elasticity of the machinery which must needs accommodate itself to the demands of Indian transportation problems." We pointed out

earlier occasion that the formation of this Board would render the autonomy of the Federal Assembly meaningless, and only a Board constituted by an Act of the Indian Legislature may be acceptable to the people. The Federation has done a service to the public and the commercial bodies it represent by recording its emphatic protest against such a proposal embodied in the White Paper.

Disarmament and Equality of Status

By PAUL BEHNCKE

Formerly Commander in-Chief of the German Navy

Although fourteen years have now passed since the war came to an end, no decisive steps towards general disarmament have yet been taken. It would seem that the only object of the Preliminary Disarmament Conference, which met in Geneva from 1926 to 1930, was to avoid any kind of binding decision. The convention submitted to the Disarmament Conference, which commenced its work in February 1932, was so vague that no positive results whatsoever could be expected to be achieved by it. And yet, it is absolutely essential that the Governments should agree upon an understanding that will really satisfy the world's longing for genuine peace. It must be emphasized over and over again that the Powers which imposed far-reaching disarmament upon a defeated Germany solemnly undertook to follow the latter's example, but that they have done nothing to redeem their promise. The difference in the armaments of the victorious and the defeated nations is still so enormous that the security of the latter is permanently endangered. Nothing but an equalisation of armaments can do away with this menace to peace. By dint of immense efforts the German Government and the German people have at last succeeded in convincing the other Powers that the principle of the equality of all nations must also be applied to the disarmament question and that such equality of status must form the keystone of all subsequent deliberations.

Apart from the acknowledgment of this

principle, the General Conference on Disarmament has scarcely achieved any positive results notwithstanding the fact that its discussions have now been going on for about a twelve-month. How unsatisfactory the existing position is may be seen at a glance by examining the state of naval armaments. Germany, almost entirely deprived of effective military and naval forces, finds herself surrounded by countries whose navies are larger than any which the world has known before. This inequality is particularly menacing to her security because she has to defend a very extensive coastline and because her most easterly province East Prussia—is completely severed from the remainder of her territory. An adequate defence has been made absolutely impossible by the Versailles treaty. Germany's land forces have been arbitrarily fixed at a maximum of 100,000 officers and men. She is forbidden to possess any aggressive arms. Some of the most necessary defensive arms are likewise prohibited to her. The size and efficiency of her naval forces has been limited just as arbitrarily and without regard to her needs. She is not allowed to have any submarines, military aircraft and anti-aircraft guns. Fourteen years ago—when Germany was deprived of these arms—they were described as aggressive; and now that Germany, under reference to the Versailles treaty, asks the other Powers that they, too, should abolish them, they are suddenly described as defensive. This, surely, is an example

of bad faith which it would be difficult to surpass.

Germany's naval forces are only allowed to consist of six battleships or armoured cruisers of 10,000 tons each, six small cruisers of 6,000 tons each, twelve destroyers of 800 tons each and twelve torpedo boats of 200 tons each, or a maximum of 150,000 tons altogether. The discrepancy between the naval strength of Germany and that of the other maritime Powers is enormous. The tonnage owned by Italy is three times, that owned by France and Japan five times, and that owned by Great Britain and United States eight times as large as that owned by Germany, even though the other Powers have repeatedly reduced their naval strength under the Washington, London and Rome agreements.

Some of the large battleships of the other Powers aggregate as much as 35,000 tons, as compared with Germany's maximum of 10,000 tons. Their efficiency and their speed is such that even the best German ships--no matter how ingenious their design--are in the long run no match for them.

The existing inequality in cruisers is just as enormous. Whilst Germany's cruisers must not exceed 6,000 tons each, France alone--in connection with her huge naval programme of construction carried through during the past ten years--has built a whole series of 10,000 ton cruisers; and whilst the maximum displacement of Germany's torpedo boats is 200 tons, those of France reach a maximum of 800 tons. France, moreover, owns the world's biggest fleet of submarines. 45 of them are below 800 tons. 22 range between 800 and 1000 tons and 41 between 1200 and 1600 tons; and there are also two submarine cruisers, of 2000 and

Under the disarmament clauses of the Versailles treaty Germany was only allowed to retain a few of her oldest and least efficient warships, so that she was compelled to replace these at once by others more suitable for the conditions of modern naval warfare. At the same time France, however, possessed a large number of fine modern vessels, so that the additional ships which she has built since then are not mere substitutes for obsolete ones, but really supplement her already very efficient fleet. A comparison of the building activities of the two countries since 1922 is very instructive. During the ten years that have passed since then Germany has built two armoured cruisers aggregating 20,000 tons, five cruisers aggregating 30,000 tons, and twelve destroyers aggregating 9,600 tons. The corresponding French additions are: one battleship of 26,500 tons, one aircraft cruiser of 22,150 tons, 15 cruisers aggregating 123,900 tons, 30 destroyers aggregating 72,900 tons, 2 torpedo boats aggregating 300 tons, 79 submarines aggregating 76,500 tons, and a number of vessels of special types (*e.g.*, oil steamers, aircraft carriers, etc.) aggregating about 100,000 tons. France spends each year three times as much on her navy as Germany; and whilst in Germany *Rm.* 2.81 *per capita* is required annually for the upkeep of the navy, the corresponding amount required in France is *Rm.* 12.28.

Comparisons with the fleets of other maritime Powers lead to similar results as the foregoing comparison with the French navy. It is evident, therefore, that--so long as the present inequality continues--the German navy cannot possibly fulfil its task to defend the German coastline. It is equally evident that Germany does not--and can-

DISARMAMENT AND EQUALITY OF STATUS

not—desire another war, because her chances of winning it are simply non-existent. Since, however, the existence of a state of insecurity in one country always tempts others to profit from it, Germany emphatically demands that the other countries should follow her example and disarm likewise. The German disarmament thesis may be summarised as follows: "We want no re-armament that would bring about fresh wars, but a mutual adjustment of armaments. We want to see Germany's ability to defend herself restored within the framework of a universal agreement, both as regards her land forces and her naval forces."

Germany, therefore, does not desire increased armaments. She only asks that the other Powers, in compliance with their own undertakings and with the Covenant of the League of Nations, should also reduce their

armaments. It will be remembered that General Von Schleicher, not so very long ago, aptly described Germany's attitude to these problems by a witty remark in which he said that she would be willing to arm her military forces with cardboard shields and wooden swords provided that the other countries would do likewise. If the latter should refrain from voluntarily subjecting themselves to adequate disarmament, Germany would be reluctantly compelled to follow other methods of restoring arms equality, much though she dislikes such an alternative. She would greatly prefer to see equality restored by the method of a far-reaching reduction of all military and naval forces; and it is up to the other signatories of the Versailles document to make it possible for all to embark upon such a course.

CANVASSING TIPS

The agent who starts out fully confident has already got his day's problems three parts solved.

* * *

Halting uncertain argument on the part of the Canvasser foretells almost certain failure.

* * *

Deferring an attack on the obstacle serves to increase its size.

* * *

A steady persistent Canvass often has the effect of turning a gloomy prospect into an exceedingly bright outlook.

* * *

Where there is a promise of success, well applied energy will see the promise fulfilled.

Germany's Foreign Indebtedness

BY GEORGE C. HARGREAVES

NEW YORK

No one doubts any longer that the Reparations demanded from Germany were the root cause of the present worldwide slump in business. They led to the accumulation of huge funds in a few financial centres, drained German industry of its last monetary assets and gave rise to increased credit requirements, as the Reparation annuities could only be paid out of money borrowed abroad. The stoppage of these payments brought about by the Hoover moratorium came too late. Just as a chain will snap when its weakest link is subjected to excessive strain, international economy—which, as a whole, has never completely realized the extent to which it is linked up with Germany as one of its members—was unable to withstand the onslaught of the catastrophe which threatened to lead to international bankruptcy and to the severance of all economic relations throughout the world.

Now that the Lausanne Conference, thanks to the high quality of the statesmanship displayed by the various delegations, has done away with the burden of Reparations, the ground has been cleared for settling the problem of Germany's private indebtedness to her foreign creditors. German statesmen and German economists have made it quite clear that although the payment of Reparations is impossible everything must be done to safeguard their interests and to repay the money advanced by them. The recent change in the

composition of the Government—which now consists of Conservatives—has not led to any modification of this attitude.

In this connection particular attention should be directed to an article recently published by a number of German papers. It is entitled: "The Future of Germany's Foreign Credits," and its author, Dr. Lubbert, is the leading adviser to the "Stahlhelm"—an organization also represented in the new Government on economic questions. On account of the pronounced conservatism of this organization of front soldiers—which comprises a membership of 700,000 the article may be interpreted as an unconditional recognition of Germany's private foreign indebtedness. Dr. Lubbert emphasizes that Germany can only repay her foreign debts, both as to capital and interests, out of the surplus of her exports over her imports—an axiom which, although it scarcely requires any longer to be proved, is frequently lost sight of. Seeing that the tendency towards economic self-sufficiency is constantly gaining ground in all countries, it is more than likely that Germany's future export surpluses will be less than they have ever been in the past. The inference is that the redemption of these private debts will have to be spread over a long term of years and will have to keep pace with the systematic re-establishment of normal economic conditions in the country, now happily relieved of the burden of political debts.

With a view to the practical realization

of these plans Dr. Lubbert proposes the creation of the German Bank for the Conversion of Foreign Debts ("Auslandsumschuldungsbank," or D. A. U. B.), which would have to act as an intermediary between the foreign creditors and the German debtors (federal states, municipalities, private firms, etc.) and which would take over—subject to a German Government guarantee—the whole of Germany's private indebtedness abroad, no matter whether the debts are of the short or long-term kind, excepting those only which owing to the insolvency of the debtors, have to be regarded as no longer recoverable. The D.A.U.S. thus becomes the sole creditor and converts the claims of the original creditors into reichsmarks. Redemption would have to be effected, on the basis of the existing state of the German money market, at the rate of $1\frac{1}{2}$ % p. a. whilst interest would be payable at the rate of 5 % p. a. The total amount of the debts here concerned has been estimated at some 22,000 million reichsmarks. The claims of the original creditors would be equalized by the issue of certificates for amounts in their own national currencies) guaranteed by the German Government.

The D. A. U. B. would have to undertake, again subject to the guarantee of the Government, to pay $3\frac{1}{2}$ p. c. by way of interest and $1\frac{1}{2}$ p. c. by way of redemption on these certificates, such money to be obtained out of

the annual export surpluses. This would necessitate, apart from the 200 million reichsmarks required for the service of the Dawes and Young loans, an annual export surplus of about 1100 millions, which is quite within the realm of possibility. Any additional surplus would be placed at the disposal of the D. A. U. B., which might use it for the purpose of increasing the rate of capital redemption. If, on the other hand, the surplus available in any given year is insufficient, the Bank would have to obtain the right to defer part of the annual payments.

An important question in connection with the scheme will be to decide whether—and if so, to what extent—the short-term creditors are to have preferential treatment in the matter of capital redemption. Individual creditors might possibly be given the option of converting part of their certificates into German goods, which would be equivalent to increasing the normal volume of German exports.

No doubt, these suggestions demand considerable sacrifices from the private creditors; but it appears difficult to devise another method of doing justice to their claims. It should, moreover, be borne in mind that the Versailles treaty and the demand for excessive Reparations are the root cause of Germany's desperate financial plight and of the abnormal financial situation all round.



The Jute Problem

BY S. C. MAJUMDAR, B. Com. (Bom.) Cert. A. I. B. (Lond.) F. R. ECON. S.
AGENT, CENTRAL BANK OF INDIA LTD. (NEW MARKET BRANCH).

There are two aspects of the problem of Jute which is before us :

(i) The problem in relation to the cultivator.

(ii) The problem in relation to the trade.

The problem in relation to the cultivator is the problem of organizing the cultivator or the grower of the produce in order to enable them to stand against the control of the industry and the trade which is highly organized, with the huge financial resources behind them. This has been recognized by the Royal Commission on agriculture who had very strongly advocated the need for bringing the poor cultivators into an organization, say, in the form of a Jute Growers Association.

It does not therefore need any one to advocate the extreme necessity for such an organization if the poor disorganized cultivators have to be saved from the clutches of the powerful organizations of the trade and the industry. No doubt the growth of such an organization must develop from within the cultivators themselves and unless and until there is a feeling amongst the cultivators themselves it would not be possible to make such an organization successful by merely thrusting on them. This does not mean that we would not make any attempt to organize such an organization, and at the same time educate them. In fact, it might take years to bring them under a definite organization. It must, however, be admitted that

owing to the magnitude of the problem and the serious implication it bears to the jute trade in general no such attempt to have an organization will prove successful unless with the full measure of assistance and support from the Government.

Within the scope of such an Association would be (i) protecting the interest of the growers by—(a) better marketing organization, (b) financial help for them to hold out crop for better price, (c) control of the cultivation of the crop, both in quality and quantity—through educative propaganda. Mere propaganda by Government, or other agency would be of no use. The cultivators would not care to join such an institution unless they get real help financial and otherwise. An institution like the Jute Growers' Association should be able to grant loans to the cultivators at the time of sowing—for seed, plough and other charges, such as cleaning process etc.—and at the time of the granting the loan it should be made a condition that they must buy shares of the Jute Growers' Association Ltd., say, minimum of rupees ten which may be paid by instalments by the cultivator. Thus gradually they should be brought under this organization and once they have been brought under some organization it will be self-interest that will drive them to organize them in the latter process. Now if such an institution is expected to work successfully then in the initial stages it must have cognizance and

financial help from the Government. At the present stage of the finance of the Government, it would be idle to expect direct financial assistance from the Government. What the Government can do easily is to levy a cess on jute marketed and exported by boat, rail and steamer at their source, say, at the rate of eight annas per maund or at least four annas per maund. Having in view the permanent benefit such an institution will confer on the poor cultivators, it would not be too much to expect from the Government to move this measure immediately. The proceeds of this cess should be handed over to the Association. Care should be taken that this money is not spent out. In fact, it should be standing at the credit of the jute growers in general as a sort of provident fund. But at the initial stages until the Association has been able to attract good amount of capital—a portion of it may be lent to the Association, to make capital expenditure which must bear a regular interest; but for actual measure of relief in case of famine or bad trade with the sanction of the Governor-in-Council sums out of this may be spent.

In order to watch the interest of the Government and the general interest of the cultivators and the public—particularly to see that the cess money is not wasted—Government may nominate three to four directors out of a number of twelve.

Only actual cultivators will be allowed to be members of this Association and no member to hold shares worth more than Rs. 2000. In my opinion the function of the Jute Growers' Association should stop here after making the produce in an organized form ready for the market. Here the function of actual trade begins, though sufficient

financial power should be behind the Association to protect the interest of the cultivators through the Association in case any threatening attitude of the trade trying to control the market is found out. In the ordinary course, however, it should be left to the trade to abide by the fundamental economic laws of demand and supply, and thereby to bring out the highest economic value for the produce in the free and competitive market. This brings us to a regular organized marketing system of the produce. Standardization of quality, mark, weight, warehousing produce, and *exchanges* are the problems of organized marketing. This question of organized marketing may be conveniently left to bodies like the Central Jute Committee for which there has been constant demand from all sections of the public. But neither the Jute Growers' Association nor the body like the Central Jute Committee can do anything to regulate the price actually in accordance with the demand of the trade. The problem is of creating a free and competitive market for the produce which will be in the best interest of the trade as well as the cultivators. Now this problem of a free and competitive market is fundamentally a problem of providing different groups of buyers with adequate funds for purchasing the crop. If that could be done, the main problem of the price of jute or for the matter of that any commodity would disappear. *I am not at the same time in favour of artificial control of price of jute or any commodity.*

Undue control of financial power by any group of buyers is the most undesirable aspect of the problem. This problem of providing adequate funds for the different groups of buyers is very closely associated

with the problem of proper warehousing system. In fact, the organized warehousing is a necessary part of the credit machinery of the country. If this problem of organized warehousing can be solved then the problem of providing the various groups of buyers with adequate funds is solved. For banks and other financial agencies will then advance against the security of the receipts of this organized warehouses at a stipulated margin to all sections of traders without much reference to the financial power of the individual traders. A free competitive market with traders assured of financial assistance against the holding of their commodity will solve the problem of the price.

As for Bengal the financial assistance from banks against warehouse receipts will be easier; for here the banking power in the districts is organized to a high degree - thanks to the development of the loan companies whose resources are nothing less than twelve crores of rupees. But these loan companies are now in their bad days. They have

never known how to finance the trade, they have so long been advancing only against landed properties—and have been earning fat dividends. With shrinkage of the price of agricultural produce and, consequently, land value, they are all locked up. They have been following a dangerous policy of advancing on landed properties against short dated deposit—which is fundamentally opposed to all canons of banking. The solution lies in relieving them of this great burden of frozen capital and making it more liquid. This can be done by immediately starting a land mortgage bank with issue of long-term debentures to take over the landed investment of the loan companies. The released funds can thus be turned to financing of trade. The loan companies having once burnt their finger have learnt a lesson and I hope it would not be at all difficult to direct their energies towards investment in trade. Once this can be done there will be no financial problem for finding assistance to the trade of the province.



The Factor of Publicity as Affecting Insurance Business

BY PROBODH RANJAN GUPTA, M.A.

In early times when population was sparse, society simple, and the wants of man limited, the problem that confronted the manufacturers was simply how to produce a commodity. The other problem of bringing the commodity within the reach of the consumer was by no means a problem of any complexity. But with the increased specialisation of industrial organisation, when production began to be carried on on a very large scale, and far in anticipation of demand, the importance of the problem of marketing, as compared with that of production, became very great indeed. At this stage, people came to realise that even a completely finished product could have absolutely no value if it was not brought within the reach of those that wanted it; and that the problem of bringing it within the reach of those that wanted it was almost as difficult a problem as that of actually producing it. It was at this stage that was born one of the most ingenious methods of facilitating marketing—the art of publicity.

In early times publicity was looked upon with great suspicion as the universal tendency in those days was to regard all publicity as a propaganda for the sale of a particular commodity which, judged from absolute standards, was by no means better than the goods that were not being advertised. As a matter of fact, the prevalent idea was that only those goods that were inferior in quality were being advertised to make up the deficiency in quality.

How much of truth there was in these contentions, we are not, at the present moment, prepared to investigate; but that with the development of a sense of business morality and of organised and systematised business methods, the scope of abuse in advertisement is dwindling to a minimum, is beyond the shadow of doubt. To-day, as a matter of fact, the importance of publicity in business is universally recognised and advertisement is being extensively carried on in all countries where industrial organisations are sufficiently developed. If there is anything evil in it, it is, after all, a necessary evil and there is no chance of doing away with it in a regime of private property and capitalistic production.

Recognising, as we have done, that, under the present organisation of society, publicity is an indispensable organ for bringing the producer and consumer together, and recognising, further, that publicity is at the present day, carried out generally on legitimate and fair lines, we now come to the main subject of discussion of the present article—the importance of publicity in life insurance. There is a common belief among the educated public and also among the authorities of life insurance companies that there is not very much need of advertising the importance of life insurance as everyone is sufficiently aware of it. The result has been that there has been, up to the present time, very little advertisement on insurance in general. Of course, it is an admitted

fact that the art of publicity, in all its aspects, is but very poorly developed in India. The reason that has induced me to start a discussion on publicity in insurance instead of a discussion on publicity in general, is that publicity in this particular field seems to have taken a deplorable shape, not so much because of its scantiness—for it is so in all other fields—but because of the thoroughly unintelligent methods that are being adopted at the present moment to carry on propaganda for insurance.

It is a fact that our Indian insurance companies spend a large sum of money every year on publicity and advertisement. What we want to point out here is about the lines and manner in which that is done. Publicity to be most effective has, in the first place, to reach the public in appropriate circumstances. In the second place, it ought to be consistent. Sporadic and occasional advertisements have no value. Thirdly, it must attach special emphasis upon the striking and emotional aspects of insurance, *e. g.* the value of human life, property, and the utility of insurance in averting risks on them.

Another great reason for such poor methods of insurance advertisement in India is that the authorities responsible believe, as has been previously mentioned that the public are sufficiently aware of the importance of insurance and there is no necessity of preaching to them anything on this point; all that is necessary, in their opinion, is to recommend to the public which company to choose. How this view has come to dominate the minds of insurance authorities is too hard to comprehend. The deplorable figures of the 'per head' or even "per capita" insurance in India, as compared to that of

other countries, is enough to demonstrate that insurance in India is still barely in its rudiments. There is immense scope for the development and expansion of insurance in India at the present time. The teeming millions have absolutely no idea of the importance and utility of insurance. Tell them of it and they will laugh you to scorn. Poverty and ignorance have so hardened them that it will take constant hammering for months and years to bring home to them the importance of a new idea. Here is the scope for a persistent up-hill work and a philanthropic one at that too. Advertisement and publicity, therefore, should be made to take such forms as may appeal to these people particularly. Here is the necessity of publishing posters and pamphlets extolling the importance of insurance in general and the company advertising in particular. The people should be made to realise that insurance is as important to them as their daily food and drink—that it is one of the most important things that the ingenuity of man has invented for the benefit of his fellow-creatures.

Even among the educated classes the realisation of the importance of insurance is not as it ought to be. Everyone has a latent feeling that it is necessary to insure, but few or none of them realise that it is as important as their daily food and drink. As a matter of fact, the advertisement of luxuries is so often and so persistently inflicted upon them and propaganda of the importance of insurance is so rarely visible that they are naturally tempted to spend their surplus money on luxuries rather than on insurance. Thus it is that the educated public even spend much less than they ought to do on insurance.

There is a suspicion in the minds of most insurance authorities that by carrying on propaganda on insurance in general, other companies reap the benefit at the cost of the advertising company. This, however, too, is another misconception. Human nature being what it is, the public are always inclined towards the company that has been able to point out to them successfully and effectively the importance of insurance. The immense success of the Sun Life of Canada and the Metropolitan Insurance Company of New York bears testimony on this point. The Sun Life of Canada seems to be the only company, outside the U. S. A. that has been for generations carrying a very intelligent propaganda in the lines suggested above. And the result has been obvious. All over the world where the company is doing business there has been a persistent cry from its competitors that the company has been securing too much business at the expense of others. Recently there has been an article in the "*Financial News*" London, in which it has been pointed out how American companies in Great Britain were doing much more business than the British companies themselves, because of the poor advertising methods of the latter.

There is also another idea that has secured much ground among insurance authorities at the present day, and that is that propaganda, if it is to be carried on at all is to be done through canvassers and agents. Thus certain companies have a few pamphlets and leaflets in which the importance of insurance in general is sometimes pointed out and the canvassers are allowed to go about with these papers and utilise them as best as they can to convince the public of the importance of insurance. There

might have been some sense in these methods, but experience has shown that they are not at all working well, since, as a rule, till very recently, very few educated and influential people entered the field of insurance workers and their presence was generally resented by the prospects. Their attempts to explain things to the educated prospects were, therefore, thought to be simply preposterous. The prospect generally suffers from a sense of vanity in imagining that he knows everything and that there is nothing to explain to him; besides in whatever the agent does the prospect smells self-interest and therefore is not favourably disposed to any sort of explanation coming forth from him. Thus it is only through general and impartial propaganda for insurance, through the press, posters and pamphlets to be generally and freely distributed, that a healthy atmosphere can be created, and it is through these methods only that there can be a maximum of appeal.

There are, as a matter of fact, several Indian companies that carry on their publicity campaign with considerable consistency and imagination, and they get best results out of it.

Here a review of the methods of propaganda carried on by the Metropolitan Life Insurance Company of New York—which is the largest Insurance Company in the world—will be enlightening. In 1926, the Metropolitan Company devoted the whole of their advertising to a Health Promotion Campaign. In the campaign no direct effort was made to sell life insurance. It was directed solely to the education of the public in the matter of health.

The address delivered by Mr. R. N. Cox,

the second Vice-President, in this connection is really interesting,—

“What is advertising but the dissemination of knowledge. . . . I might perhaps classify as advertisement all the Metropolitan Life Insurance Company's efforts to promote health. This includes booklets and other printed literature circulated by the million — posters, moving pictures, radio broad casting, health exhibits, magazine articles and paid-for space in periodicals.

“A highly developed advertisement technique has brought the advertising pages of our leading magazines up to the point where they sometimes compete disastrously in art, thought and diction with the text pages of the magazine. May we not suggest that at least many of the so-called “big advertisers” might well discard entirely the “trade with us and save money” attitude and hereafter compete directly and keenly with the newspaper and magazine pages?

“Let us be in a form that is entirely freed from evidence of selfish intent on the cash of the advertiser; freed from the familiar note “buy, buy now, buy from us.”

In 1922, the Company distributed

33,322,161 pieces of health literature which dealt with common ailments and the means of relieving and preventing them. The Company conducted or investigated or helped to conduct 440 clean-up campaigns in cities; it displayed 265 health exhibits, participated in 107 health campaigns and 30 baby weeks and so on and so forth.

After all this the first question that will arise in the mind of the critic is: “Will it pay?” To this query Mr. Cox's reply seems to be significant. He said that there is no scientific instrument by which it is possible to investigate whether each extra dose of new advertisement has produced a corresponding dose of new business but taking facts and figures for a fairly long period of time it is possible to verify that scientific propaganda has been substantially responsible for the Company's increased prosperity.

While it is madness to expect advertisement of the type described above to develop in India for quite a long time to come, yet a review of the methods followed by giant companies like the Metropolitan will surely help to broaden the outlook of insurance advertisers in India.



The Future of Handspinning and Handweaving in India

BY M. P. GANDHI, M. A., F. R. E. S., F. S. S.

Secretary, Indian Chamber of Commerce, Calcutta

There is no doubt, to my mind, that both handspinning and handweaving have a bright future before them in India, as long as the economic condition of the country remains as it is today. Some doubt is being expressed, however, by critics of the *Khaddar* movement in India that *Khaddar* is not an economically sound proposition. Some believe that handspinning is a passing phase and that it cannot last after the sentimental feeling of the people of the country for *Khaddar* passes away. It is pointed out that *Charkha* cannot spin yarn more economically than the mills, and that therefore such a primitive and crude method of spinning yarn cannot last in competition with modern and up-to-date machine-spinning.

NO COMPARISON BETWEEN A CHARKHA AND A SPINNING MILL

These critics, however, fail to understand that it has never been claimed by the protagonists of the *Charkha* that it can spin yarn more economically than the mills. The *Charkha* has never been intended to compete with, or displace the mill industry. There need, therefore, be no comparison between the output of a *Charkha* and the output of a machine spindle. For understanding clearly what the *Charkha* movement means, it must be borne in mind that there is an enforced idleness of a large section of the population in India (depending for their living on the fields), for a period of nearly six months in a year owing to lack of suitable

supplementary occupation to agriculture. The other factor of great moment is the chronic and the gnawing poverty of the masses which has resulted from the lack of employment during the best part of a year. Knowing as we do, now, the almost incredible poverty of the Indian masses who are, it must be admitted, illiterate and unskilled owing to want of any education, the only means of ameliorating their condition is by giving them some sort of an occupation near about their homes, which they can adopt peacefully and without difficulty.

BEST OCCUPATION

Handspinning is an occupation which answers this purpose best. It is claimed that handspinning alone offers an immediate practicable and permanent solution of that knotty problem, that is, enforced idleness of an overwhelming majority of India's population for over six months in a year. It is not intended that those people who can make a better living from elsewhere should spend their time on handspinning. It provides a *supplementary occupation for those who cannot do anything better*. It has numerous social and economic advantages, which are well-known. It is a great consolation to find that believers in the machine-age are slowly becoming converts to the *Khaddar* theory after seeing for themselves the advantages that have resulted to the people by the *Khaddar* movement.

TWO NOTABLE OPINIONS

Only recently in his opening speech at the All-India Swadeshi Exhibition in Madras, Sir M. Vishweshwarayya made the following significant confession as regards the capabilities of the handspun and handwoven *Khaddi* :

"I am one of those who not long ago thought that handspinning and handweaving of *Khaddar*, while machinery could do the work so cheap, might prove a waste of effort, and that the energy and time spent on it might be more profitably employed ; but in the present circumstances of the country, when there is such redundant unemployed population, and there is no organisation at all to relieve unemployment, every sane person must admit that *Khaddar* propaganda is serving useful constructive purpose, and that the efforts of the Congress Party in popularizing *Khaddar* under the all-inclusive generalship of our great countryman, Mahatma Gandhi, are fully justified."

Even Dr. Harold Mann opined that "whatever may be said of Mahatma Gandhi's plan and policies in other directions, *he had undoubtedly penetrated into the secret of the poverty of India when he advocated the spinning wheel*, even though it added only one or two annas per day to the income of the people."

A WRONG NOTION—SPINNING NOT A
PRINCIPAL OCCUPATION

I need hardly emphasise that it is a wrong notion to believe that spinning has ever been put forward as a principal occupation. Spinning has been offered only to those who would otherwise waste their time in the idleness and thus cause a national waste of energy. Spinning is not meant for any person who has a more remunerative employment. No nation which

has its population lying idle for a period of six months in a year can ever be prosperous. The only way therefore of bringing about the prosperity of the people of India is to find employment for the large numbers of the people who are at present unemployed, and under-employed. Only thus will the labour of the millions of the people of this country be monetized, and only thus shall we be able to add to the purchasing power of the people, which it is the endeavour of everyone having the welfare of the country at heart to promote.

HANDLOOMS VS. POWERLOOMS

Handspinning presupposes the existence of handweaving, and handspinning and handweaving are mutually complementary. It is not necessary for me to prove that handlooms can compete successfully with the powerlooms. The very fact that hand-made goods are unsurpassed in excellence by the products of modern machinery, in an age which mechanical inventions are the prime factors of economic progress, proves that there are some merits in handloom weaving which have kept it going. Apart from all questions of design, quality and variety, there is admittedly something in the very "feel" of handwoven cloth which has made an appeal to the public in all countries. The Indian handloom industry has always demonstrated this superiority over powerlooms and the only reason why popular recognition has been slow and difficult is the poverty of the average Indian which compels him to make the smallness of initial cost the paramount consideration of his purchases.

Sir Alfred Chatterton has appropriately pointed out : "That the Indian handloom weaver though hard-pressed still survives the competition of the powerloom indicates a

surprising degree of tenacity on the part of the people of the country (India) to maintain their primitive methods and hereditary occupations in the face of militant western commercialism."

EYE-OPENING FIGURES OF HANDLOOM PRODUCTION

It is not generally known that even at the present time the handlooms are responsible for supplying about 38 per cent of the total

cloth produced in India, and about 25 per cent of the total annual consumption of cloth in this country. Appended below are figures for the last seven years of the total cloth consumption in India, of the total handloom production, of the percentage of total handloom production to total cloth consumption, of the total production of cloth in India (both mills and handlooms), and of the percentage of handloom production to total cloth production in India (on handlooms and mills).

Year	Total cloth consumption.	Total handloom production.	Percentage of Col. 3 to Col. 2.	Total production in India of mills and handlooms.	Percentage of Col. 3 to Col. 5
1	2	3	4	5	6
1924-25	4706	1256	26.6	3226	38.9
1925-26	4479	1160	25.8	3114	37.2
1926-27	5115	1296	25.3	3554	36.4
1927-28	5420	1292	23.8	3648	35.4
1928-29	4772	1116	23.4	3009	37.0
1929-30	5582	1104	25.1	3822	36.7
1930-31	4725	1388	29.3	3919	35.1

N. B. In this connection, I have to point out that the figures of the total production and consumption of cloth in India given in the "Review of the Trade of India, 1930-31" are likely to mislead the unwary public. No account is taken there of handloom production at all. It has been ignored, and it gives no indication of the existence of handlooms which are responsible for supplying roughly 1400 million yards of cloth per year. The figures published in the Review of the Trade of India do not give a correct idea of the total production of cloth, and of our total and *per capita* consumption of cloth.

I must observe here, however, that the quantity of cloth produced since 1929-30 and 1930-31 by the handlooms must be appreciably greater than what is shown in the above statement because there is no doubt that the quantity of handspun yarn available to the handlooms must have increased due to the impetus the movement of handspinning has received during the last two

or three years. In the above figures it has been assumed that (in the absence of any authoritative statistics) 10 p. c. of the total quantity of yarn available to the handlooms from the foreign countries and from the Indian mills, is handspun yarn, spun on the "Charkha".

QUANTITY OF HANDSPUN YARN INCREASING

On the basis of 10 p. c. estimate, the quantity of handspun yarn available to the handlooms has been roughly 35 million lbs. This figure is arrived at by assuming 4 yards of cloth per 1 lb. of yarn. It would, however, be more correct if we assume that the total supply of handspun yarn available to the handlooms since 1929 was 50 millions lbs. I would therefore suggest that if any reliable estimate is to be made about the total quantity of handloom production, for the

years after 1929-30 an assumption must be made of 50 million lbs. of handspun yarn instead of 35 million lbs. as has been done in the past. On this basis, the figure of handloom production for 1929-30 and 1930-31 would be 1161 million yards and 1450 million yards respectively.

METHOD OF HELPING HANDLOOM WEAVERS

There are many directions in which the handloom weavers need to be helped, e. g., by better organisation, better facilities through the agency of Co-operative Societies, by the elimination of middle men, etc. I hold the view, however, that in order to give adequate encouragement and impetus to the handloom weaving industry, a prohibitive duty on imports of foreign cloth and on yarn should be imposed in order to oust them completely and to make India self-sufficient in respect of the supply of cloth. The latest figure of cloth production in India warrant the belief that India can easily produce all the cloth, she needs. This being so, on account of the presence of internal competition, the consumers will not suffer. But if a prohibitive duty is imposed, there is the danger that the mills alone may increase their production of cloth and the fate of the handloom weavers may not at all improve. In order to guard against this contingency, I would suggest the introduction of suitable legislation whereby the mills in India would be precluded from engaging themselves in the production of cloth from yarn, say, belonging 12 or 15 average counts, (excepting twills, blankets, calendered cloth, dobbie pattern, jacquard pattern, etc.) for the production of which the handlooms have special advantages. The enactment of such legislation will ensure a distinct market for

the goods produced on the handlooms and they will thus be saved from a certain amount of competition of mill-made goods. If the import of foreign cloth is totally eliminated measures could also be devised of giving greater assistance to the handlooms as compared with the mills. For a detailed discussion of this question I would suggest perusal of my books -- *How to Compete with Foreign Cloth* (1931), and *Indian Cotton Textile Industry -- its past, present and future* (1930), where it has been treated in greater detail.

NECESSITY OF BANNING FOREIGN YARN

I would also suggest the imposition of a heavy duty on foreign yarn, artificial silk yarn and artificial silk cloth for the benefit of the Indian handlooms and mills. Most of

under the direction of the Congress, have already given up the use of foreign yarn and artificial silk yarn. They have also begun to manufacture finer yarn of counts above 40s and 50s by importing raw cotton from foreign countries and if they are given encouragement and assurance for protection, they would be able to supply handlooms also with such finer yarn, before a long time. There is no need for artificial silk yarn or cloth in India and unless a ban is placed upon the imports of these by the country, such imports will mount up considerably in quantity and the menace of the import of cotton yarn and cotton piecegoods will be substituted by artificial silk yarn and piecegoods of artificial silk or of cotton mixed with artificial silk. During the last three years such a tendency is being witnessed. During the year 1931-32 when the total import of foreign piecegoods decreased from 890 million yards to 775

million yards, the import of artificial silk piecegoods went up from 51 million yards to 84 million yards, while the value increased from Rs. 2,11 lakhs to Rs. 2,51 lakhs. It is true that the ban on imports of artificial silk yarn and foreign yarn would bring about a dislocation among several weavers who depend on such yarn at present, but that will only be a temporary feature as they can adapt their looms to the working up of such yarn as is available in the country. As soon, however, as it becomes more generally known that handwoven goods are being made from only indigenous yarn to the exclusion of foreign cotton yarn, and artificial silk yarn, they will receive greater patronage at the hands of the people, due to their being completely "Swadeshi", to the use of which large number of the people is practically pledged.

KHADDAR BY ALL MEANS

It only remains for me how to point out the greater advantages that would result to the country from the use of Khaddar in preference to even indigenous mill-cloth. There is no doubt that at the present moment no one will help willingly to drain the money out of the country by purchasing foreign cloth, but the question which puzzles many is which should be preferred, Indian mill-made cloth or Khaddar. Having referred to the great poverty of the masses and the necessity of finding some employment for them during their idle period, there is no doubt that the nation must concentrate its efforts in finding some supplementary occupation for relieving this unemployment. Handspinning and handweaving, it has been

pointed out are the illustrations of the most practical methods in which such employment can be given.

THE KHADI TAX

The question, however, is being raised that handwoven cloth is dearer than millmade cloth. It should not be forgotten, however, that the Indian peasant is in great distress at the present moment, and that the only relief that can be given to him on any large scale is through purchase of Khaddar, even though it may be a little dearer, which it is not in all cases, looking to its lasting quality, etc. This being so, it is unpatriotic and selfish to shirk the Khadi Tax if one may so choose to call it. There is no doubt that the purchase of Khaddar in preference to other cloth will keep the money in circulation amongst the agriculturists. By purchasing mill cloth we divert the flow of money from the villages to the cities, and thereby obstruct the relief of distress of large numbers of our poor people living in villages. Sjt. C. Rajagopalachari pointed out in a recent article in the *Young India*: "Khaddar is not only not economically unsound, but is based on a far sounder and stabler economics than the worn-out pseudo-science of that name that has broken down in the west."

I trust that in appreciation of these various factors the Government of India will see their way to devise suitable measures for the betterment of the hand-spinning and hand-weaving industries in India with the development of which is bound up the prosperity of the millions of this poor land.

EUROPEAN INSURANCE INTELLIGENCE

From Our Berlin Correspondent.

BERLIN, MARCH 15, 1933.

German Private Life Assurance in 1933

The Association of German Life Insurance Companies is now publishing the following figures for the results obtained last year by the Private Life Insurance Companies belonging to the Association the number of which was at the end of the year under report 50.

As regards Large Life Insurance the number of policies in force was 2,600,373 totalling Rm. 11,2 Milliards of sums insured, the respective number being for small Life Insurance 6,584,069 totalling Rm. 2,95 Milliards of sums insured, the total number of life insurance policies being thus 9,184,542 equalling a total sum insured of Rm. 13,88 Milliards (Rm. 13,878,035,000 against Rm. 14,438,067,000 for 1931). Besides that there were still in force 2,601,346 revalorized insurance policies equalling a total sum insured of Rm. 45 Milliard. The average sum insured was for Large Life Insurance Rm. 4318, and for small Life Assurance Rm. 403, the respective figures being for 1931 Rm. 5200 and Rm. 417, the total number of policies being for 1931 8,440,000 totalling a sum insured of Rm. 14,12 Milliards. The total premium income was for 1932 Rm. 647,042,363 as against Rm. 683,830,006 for the preceding year. Capital investments destined as a security for obligations (in the shape of mortgages, securities, loans, real estate, etc.) amounted at the end of last year

to Rm. 2,93 Milliards (Rm. 2,926,190,000 as against Rm. 2,763,489,000 in 1931.)

Payments to the Assureds and their survivors inclusive of sums insured having fallen due, dividends and other payments amounted to Rm. 105,209,021 on the whole.

The figures given above are illustrative of the decrease of Life Insurance business which tendency had already been noticed in the year 1931, the exact reasons for this not being, however, visible by the above figures. However, by the current statistical statements it has been found out that apart from the reduced increase by fresh business the irregular decrease by cancellations, re-purchases, etc. has been playing an important part, the question of cancellations being, however, not only such a one of the conservation of business in force, but also a problem of liquidity and costs. Payments which for 1932 have been indicated as Rm. 105,000,000 were for 1931 Rm. 308,500,000 only and in 1930 even only Rm. 225,000,000. In this connection it is, however, to be borne in mind that the amount of business which has been chiefly created after the stabilization must necessarily involve through its getting older a gradual increase in payments. Besides that it may still be pointed out that nevertheless capital investments have risen by Rm. 160,000,000 in which connection attention may be drawn to the fact that life

assurance has nearly exclusively been the money-giver on the mortgage market.

German Fire Losses in January

Fire losses sustained last January by the Companies belonging to the Association of Private Fire Insurance Companies amounted to Rm. 6,050,000 as against Rm. 8,440,000 for the same month of the proceeding year and Rm. 9,130,000 for 1931 and Rm. 7,850,000 for 1930. With this reduced figure of losses, attention is, however, to be drawn to the decrease of business on hand and of the premium income.

Fire losses sustained last January by the Companies belonging to the Association of Public Fire Insurance Companies in Germany amounted to Rm. 6,826,319 as

against Rm. 6,705,112—in December 1932, and Rm. 7,807,634 for January 1932. This decrease against the loss for the first month of the preceding year is, however, less attributable to the decrease in fires but essentially to the considerable fall of building costs all the more as the number of losses is greater for January of this year, being 9110 as against 7362 for the same month the preceding year.

German Motor Accidents

According to investigations made by the German Board of Statistics the number of individuals coming to death every year through motor accidents is 6000, the respective number of wounded being 50,000.

"Is life so dear, or peace so sweet, as to be purchased at the price of chains and slavery? Forbid it, Almighty God! I know not what course others may take; but, as for me, give me liberty, or give me death."

Patrick Henry (1736-1799)



Savings Banks Jubilee

*Review of Deposits for 50 years,
1882-83 to 1932-33*

By S. K. BANERJEE

The Postal Savings Banks completed its fifty years' working on 31st March, 1933 and we expected a Jubilee celebration of this great institution, but the Government of India



S. K. Banerjee

being now too busy with constitution making, Reserve Bank, Federation scheme, Road and Railway co-ordination, etc., this institution has been perhaps entirely forgotten : however, with the scant materials available an attempt has been made to give the public an idea of the working results of this most important institution. The public will have an insight and a general knowledge of its activities and how far it has helped the country and the Government in economic and financial spheres. The figures and statements will also illustrate

the relative financial positions of the poorer middle classes of the society and will raise the question : "Is Bengal really so poor and backward in industrial developments as she is represented to be by a section of our countrymen ?" The questions require study and investigation in different fields of finance, banking and industrial development. The opulence of a nation is tested by its savings and financial investments which are generally the surplus after meeting the requirements of life. What the savings are with the banks may not be available to us, but an analysis of Government savings bank accounts will give us a key to the savings of poorer classes who keep their savings in the hands of Government. A study of the history of Government savings bank will help us a good deal in ascertaining the financial strength of the poorer classes.

Before the Postal Savings Banks were introduced in this country there existed a system of savings banks operated directly by the local Governments and the various district treasuries used to do the work of savings banks.

The system was changed in 1882 and savings banks were transferred from the treasuries to Post-Offices, and on April 1, 1882, the Postal Department opened their Savings Bank department and the Treasury Savings Banks which were operating from 1870 under the Comptroller-General were closed.

During the official year 1882-82, only 4,238 banks were opened in various Post Offices except in Bombay. The total number of accounts in all opened India during the year 1882-83 was 47,287, of which 8,166 accounts were closed by the end of the year, leaving 39,121 as active accounts; the total sums deposited were Rs. 43,53,559, of which Rs. 16,05,783 were withdrawn leaving a balance of Rs. 27,96,796 to the credit of the depositors. This represents the net savings of 39,121 depositors during the year 1882-83. In 1883-84, the amount of deposits jumped to Rs. 1,03,57,504, withdrawals Rs. 58,27,069, interest accrued Rs. 1,87,217 and the balance at the end of the year was Rs. 75,11,464 or a net increase of Rs. 47,17,653 in a year's time. This assured Government of the popularity and success of the Savings Bank system.

The Bombay Presidency Bank, however, refused to forego the privilege of the savings bank system which it was operating at the time. In Madras it was limited to a few small places. In Bengal no savings banks were established in Calcutta or in the neighbouring town of Howrah due perhaps to the opposition of the commercial banks, especially the Bank of Bengal. The immediate result of the resolution of the Government of India to open postal savings banks was the addition of 4046 postal savings banks to the already existing 197 district and State Railway savings banks.

In opening the new postal savings banks, the following principles were kept in view:

(a) Any person can deposit money on his own behalf or on behalf of a minor, if a relative.

(b) Minimum deposit was fixed at 4as.

at a time and no sum can be deposited that is not a multiple of 4 as.

(c) Interest was allowed @ 3 pies per month on every complete sum of Rs. 5 which represents 3½ p.c. per annum.

(d) Withdrawals can be made once a week only.

(e) Government securities can be purchased on behalf of depositors.

The opening of the savings banks gave an impetus to the public to deposit their savings in Government post offices, instead of in the local shops and *gadis* of *mahajans* which used to be the practice at the time. The post-office savings banks helped to create more confidence in the Government of the country which was a great asset, politically, economically and financially.

A detailed survey of the transactions of these banks will give an idea of the popularity of the institution during its first year's existence, and I only take the case of Bengal province as then constituted.

Number of Depositors' Accounts 1882-83

	No. of a/c opened	No. of a/c closed	No. of Balance at close
Bengal	10,581	1,845	8,736
Bihar	2,656	486	2,170
E. Bengal	1,605	264	1,341
Assam	1,223	244	979

Accounts Transacted 1882-83

	Deposits Rs.	Withdrawals Rs.	Balance Rs.
Bengal	11,47,476	4,12,491	7,48,386
Bihar	3,07,101	97,026	2,13,656
E. Bengal	2,32,583	85,659	1,49,519
Assam	1,44,027	63,179	82,288

The undernoted tables will be an interesting study of the people's saving propensities and the popularity of the postal savings banks

after ten years' working. The table shows the numbers of Native-Indian and Anglo-Indian depositors and the amounts saved by each of these communities during the eight years ended 1890-91 and those in 1882-83.

The Postal Department at that time used to classify the depositors according to their occupations and professions thus :

Class I (A) Depositors with fixed income, (B) Depositors with variable incomes. Class II Domestic, III Commercial, IV Agricultural, V Industrial, VI Indefinite.

But these classifications have for some years been discontinued : however let us see how the different classes patronised the Postal savings and the district treasury banks in the first year (1882-83).

Depositors classified by Profession

Class I Depositors	Bengal	Behar	E. B.	Assam	India
A with Fixed Income	3270	807	517	311	4901
B variable Income	741	121	174	67	2143
Class II Domestic	865	290	100	83	7500
" III Commercial	535	118	29	17	2919
" IV Agriculturists	133	64	8	165	901
" V Industrialists	131	28	5	28	665
" VI Indefinite	3031	643	499	278	10,084
Total	8734	2,670	1,341	979	39,127*

Depositors. European and Natives

	Native		European		Total	
	No.	Rs.	No.	Rs.	No.	Rs.
Bengal	8443	6,07,141	293	51,245	8736	7,18,386
Behar	1971	1,51,310	190	32,316	2170	2,13,656
E. B.	1316	1,45,627	25	3,822	1341	1,49,579
Assam	897	71,863	82	10,425	979	82,283
India*	35,623	23,02,672	3498	4,94,123	39,121	27,96,796
Total						

Statement of Classified Account

	Postal	
	Savings Bank	Dist. Bank
	No. of a/cs	No. of a/cs
Class I A (Fixed income)	11,904	10,169
B (Variable income)	2,143	1,199
Class II Domestic	7,509	3,557
III Commercial	2,912	778
IV Agricultural	904	163
V Industrial	665	964
VI Indefinite	10,084	5,142
	39,121	21,972

The depositors, classified by nationalities were thus :

	Postal Banks		Dist. Banks	
	No.	Rs.	No.	Rs.
Natives	35,623	23,02,672	17,934	57,06,491
Europeans and Eurasians	3,498	4,94,124	4,038	18,41,197

In the last quarter of 1883-83 postal notes for the remittance of small sums, payable at any post-office to a named payee were introduced for popularising the savings banks and affording facilities to remit money from one place to another. The notes were of three denominations. Rs. 2-8, Re. 1- and As. 8 and notes to the value of Rs. 40,529 were sold without reducing the number of money orders.

In eight years the working of the postal savings banks developed admirably and the people learnt to be thrifty, but by the development of the postal savings bank system private banking began to diminish resulting in financial stringency of shop-keepers and *mahajans*. Smaller traders and the *mahajans* who used to have wide banking business done by these people in internal trade and agricultural loans began to feel shortage in working capital for their respective businesses.

Postal Savings Bank

To popularise the banks and to help the other private banking business, the maximum sum to be deposited in the savings banks was reduced from Rs. 500 to Rs. 200 with effect from April 1, 1889 and the amounts of deposits came down from Rs. 433 lakhs to Rs. 3,27,83,155 ; withdrawals were also down from Rs. 3,50,51,441 to Rs. 3,21,69,668 in that year : this shows a stronger financial stamina of the depositors. At the close of the year 1890-91 the balance standing to the credit

of the depositors was Rs. 6,34,67,408 against Rs. 5,86,96,755 in 1889-90, and against a balance of Rs. 28 lakhs in 1880-81 in the District Treasury banks. The number of active accounts rose from 47,287 to 408,544 and in 1895-96 the number rose to 653,892 and in 1900-1 it stood at 816,651 the amounts at credits of depositors during the periods were Rs. 6,31,67,108 in 1890-91, against Rs. 5,86,96,755 in 1889-90, Rs. 9,04,23,072 in 1895-96 and Rs. 10,01,32,569 in 1900-1. Though the number of accounts had doubled between 1890-91 and 1900-1 and the balance at credit of depositors increased by 58·21 per cent but the number of active accounts and the balance at credit of depositors were much less during the period that ended with 1900-1 than during the preceding five years, 1895-96 to 1899-1900.

Up to the year 1890-91 the rate of interest allowed was 3½ p. c. but it was reduced to 3 p. c. from April 1, 1894 ; in 1896-97 the Presidency savings banks were closed ; 23,000 new accounts were added to the Postal savings banks by this closure and a balance of nearly Rs. 70 lakhs were brought by transfer to the Postal savings banks. A number of these transferred accounts was closed during that year and there were exceptionally large withdrawals caused by the closing of the E. I. Ry. Provident Fund accounts and by the introduction of the new rule that year limiting the total balance in case of a public account to Rs. 10,000. If these be included then the number of accounts will show a marked decline since 1894-95. For the three years ending with that year the average increase had been in excess of 50,000 whereas since then it has only been in excess of

40,000, and in 1898-99 it stood at 25,000 only. The total account withdrawn from the Post Office Savings Banks has been larger than the total amount deposited during the three years ending 1899-1900 ; but in 1900-1 the deposits had been larger than withdrawals. The average deposits at credit steadily decreased during the ten years ending 1900-1. The average deposit per depositor was Rs. 155 in 1890-91, Rs. 138 in 1895-96 and Rs. 122 in 1900-1. This shows a waning of popularity of the savings banks during the ten years 1890-91 to 1900-1, but in the year 1900-1 there was an increase of 3·93 per cent in the number of active accounts and of about Rs. 14 lakhs in the amount deposited, while there was a decrease of more than Rs. 3 lakhs in the amount withdrawn : the total amount showed an increase of Rs. 35½ lakhs as compared with the balance of the preceding year.

During the next ten years ending 1909-10 there was an increase of 4·57 per cent in the number of active accounts while the amount at credit at the close of the year exceeded the balance of the preceding year by Rs. 63½ lakh or 4·17 per cent. In 1911-12 the number of active accounts increased by 1·92 per cent while the amount of deposit was up by 11·70 per cent or Rs. 1 crore 98 lakhs more than the preceding year. In 1920-21 the number of active accounts rose by 6·67 per cent while the closing balance exceeded the balance of preceding year by 7·09 per cent or Rs. 1½ crores. In 1929-30 the number of active accounts increased by 14·06 per cent and the balance rose by 7·66 per cent or about Rs. 2½ crores. The total balance at the end of 1929-30 was Rs. 34½ crores against Rs. 31½ crores in 1928-29, in 1930-31 it rose to Rs. 39½ crores.

From the above bare facts and figures, it would be apparent how popular the savings bank deposits have been with the people of the country. Starting with a balance of Rs. 28 lakhs at the end of one year's working on 1st April 1883 the balance stood at Rs. 39½ crores on 1st April 1930-31. Before the Postal savings banks were started there were only 180 banking centres in district headquarters throughout India and the closing balance in 1822 (Apl. 1) was Rs. 75,47,670 when the District savings banks started operations they had only 21,180 accounts and at the time of their closing the number of accounts was only 21,972; these banks could not be so popular with the public as the postal banks have been.

The following table compiled from the Report of the Savings Bank Department of 1890-91 throws further light on the popularity of these banks amongst Indians and Anglo-Indians; they show the numbers of depositors by race and the amount deposited by each. Unfortunately such census figures of accounts have been discontinued as unnecessary and perhaps because they show the decrease in popularity amongst the Anglo-Indians and increase amongst the Indian natives. These deposits show clearly the position of the

poorest classes amongst various communities, except a few accounts maintained for certain Trust funds, Associations and Unions.

DEPOSITORS BY RACE

	Native Depositors		Europeans and Eurasians	
	No.	Amount	No.	Amount
Bombay	83,298	1,82,07,869 } 6,38,687 }	6,959	15,60,527 }
Bengal	82,583	99,19,345 } 3,40,116 }	7,005	6,58,360 }
Madras	35,039	48,52,707	9,626	12,21,149
Punjab	22,779	1,65,831		44,145
N. W. P.	30,277	47,67,666	4,892	8,82,128
Behar	16,359	1,60,937		31,611
Sindh	8,861	16,14,840	5,165	7,95,189
E. Bengal	16,679	1,58,603		27,128
C. P.	11,957	22,86,007	1,292	2,45,801
Burma	10,827	75,993		8,897
Oudh	8,540	18,33,601	2,072	5,16,158
Assam	8,718	61,536		20,427
Rajputana	3,551	22,97,872	152	37,547
Central India	2870	79,330		1,374
		18,88,974	2,266	4,22,002
		63,211		14,567
		12,47,178	3,564	7,20,200
		36,050		23,607
		13,72,521	1,138	2,34,465
		17,485		9,793
		12,91,626	504	1,07,721
		43,892		3,812
		5,72,625	853	1,81,683
		18,617		6,481
		5,54,472	688	1,16,335
		18,652		5,018
Native Depositors	3,62,368	5,57,08,203	46,176	77,50,205
		19,09,063	Total Interest	2,75,282
		Total Depositors		6,34,67,408
		Interest		21,84,345

(To be Continued)

The Indian Insurance Companies Agents' Conference

The second session of the Indian Insurance Companies Agents' Conference was held on the 22nd and 23rd April, 1933, at the Albert Institute Hall, Calcutta. Mr. J. C. Ghosh Dastidar of Messrs. Dastidar and Sons, Chief Agents of the Bombay Mutual Life Assurance Society Limited was duly elected President of the Conference and presided over it. Mr. M. N. Bose of Bombay Life and Mr. K. K. Banerjee of Oriental were respectively elected Chairman and Secretary of the Reception Committee. Here we would only give the actual proceedings of the Conference as we watched it, and our impressions would be found in a subsequent section, *i.e.*, 'Notes and Gleanings of the Month.' It will be easily realised that within the limited scope and space of this issue we cannot give a very long and detailed account of the actual proceedings, but we shall summarily point out all the prominent and outstanding events of the Conference, and as such, we hope no important issue would be omitted.

The Conference was opened before a very large gathering of delegates and distinguished visitors and journalists by Professor Benoy Kumar Sarkar who delivered his inaugural speech amid applause and cheers, which is printed elsewhere in this issue.

Professor Sarkar emphasised the utility and potency of insurance agents as a new social class, a new socio-economic group with immense possibilities for the furthering of national interests. He realised the vitality of this new class which has been rendering a very great and humanitarian service to the

people of the country. He traced the growth of this new force in the economic organisation of our country to the post-war period and maintained that the business of insurance was not taken seriously by our countrymen before the great war. Professor Sarkar also pointed out the regrettably small average of insurance attained by India in comparison to that attained by other countries, and told the Conference that Japan in this respect should be an eye-opener to and an ideal for India. The annual life business of the Nippon Life Insurance Company, we were told, alone exceeded the total amount of life business done annually in India by the Indian and non-Indian Companies put together. Professor Sarkar also stressed the importance of the improvement in longevity due to better sanitation and medical treatment on the progress of insurance companies and earnings of the agents. With a variety of other strong arguments and fascinating illustrations, Professor Sarkar encouraged the promoters of the Agents' Conference and declared the Conference open.

The Chairman of the Reception Committee Mr. M. N. Bose welcomed the delegates to the Conference most cordially, and said in the course of his speech :

Friends, in the books and in the papers we sometimes read that one profession--the profession of the Insurance agents, is a noble one. We teach thrift to the public; we build up national wealth; we develop trade and industry of the country; we support orphans and widows and what not? The remarks sound very sweet and we feel exalted when we think that we constitute

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such an important factor in the society. But in reality these high sounding words bear little value in our country. People think that as we could do no other work and were unfit for all desirable posts and professions, we have taken to this line of canvassing--which is nothing but a filthy job in their eyes. This is not all. We serve our authorities with our life-blood, we know no rain and no winter. We build the company, bring money for our masters and in return, you all know, what treatment we often receive from them. When the company grows up, our commission rate is first curtailed and with the slightest fault our renewal commission is forfeited and thus the expense ratio of the company is minimised. We often hear us to be called pillars of the Company, but, in fact, we are treated like the wooden pillars which are thrown away when the structure is complete. Our position deserves pity and sympathy. We lay the foundation, bring bricks and mortar to build the house but are not allowed to live in it. We are labourers plain and simple and nothing more.

Mr. J. C. Ghosh Dastidar, President of the Conference then delivered his speech in the course of which he said :

The necessity of association of agents and their conferences at different places from time to time are now felt by many responsible men of insurance in the mutual interest of officers and agents alike. They help to create an opinion in favour of Indian insurance, improve the status of insurance agents who are not very happy now-a-days and also to help them in their education, efficiency, moral training and equipment. But such an association should not be taken to be a rival body, always fighting with the office and being in a different warring camp. It is to be run as a co-operative institution formed for the improvement and benefit of Indian Insurance in general.

Duties and responsibilities of Indian life offices are manifold and onerous. They have in their hands the interest of hundreds and

thousands of families and also the great band of Insurance workers. It is the sacred trust money--money of the widows and old men--they have to deal with. Their dealings towards their policyholders and workers should be straightforward, honest and sympathetic. They should hold the balance equitable between the policy-holders and the agents and should not regard the workers as nobodies. I notice with much regret that the directors and management in many companies appear to think that they are an isolated whole, always ignoring the agents and their legitimate grievances. I appeal to the directors and management of Indian life offices and request them to change this old angle of vision. By extending co-operation and sympathetic treatment to agents and making their position secure, they uphold the real interests of the office, that will enhance their power and prestige. The agents, as I feel it, only expect the offices to treat them as between man and man.

I beg to note a word of caution to the Indian Insurance companies. There is now-a-days a growing tendency of unhealthy competition for booking increased new business without any regard for the relative cost thus undermining the very foundations of the offices themselves. It is the quality and not quantity of business that matters in a life office. This is the time when the heads of management should run the course calmly and steadily so that they may not be swept away by the lure of temporary glory and success. The offices should remember that they spend poor men's hard earned money, given in trust to them. If they play hell with the policy-holders' money, curse of widows, minors and old men will be on their heads.

Medical examiners should have an unyielding fidelity to their offices as their first requisite; the binding power of moral duty and moral courage should enable them to resist influences by which others may seek to adrift them from the path of rectitude. They must be men of culture and refinement.



J. C. Ghosh Dastidar
President of the Second Session of the Indian Insurance Companies Agents' Conference, 1933.

possess irreproachable character, be skilful tacticians, firm in their decisions and capable of weighing all facts uncovered during the examinations. Besides all factors relating to medical examination they should be conscious that identification and age of the assured have special bearings on the acceptability of the risk of a life; and references should be made relating to these in their reports in details while submitting to the offices for proper estimation of the risk proposed. They should always remember that the ultimate result of their work will have a far-reaching effect both on the company and the policy-holders.

The President dwelt at length on the

proper system of canvassing and gave very valuable hints on successful salesmanship. He said :

Before any one decides to begin his career as an Insurance agent, he should think very seriously whether he possesses at least some of the necessary qualifications required for the profession, *viz.*, general education, amiability, persuasiveness, tenacity, etc. He should also remember that in the beginning he would have to suffer and suffer greatly before succeeds).

To a beginner, the selection of an office he desires to represent is a difficult problem. It

will be much to his advantage if he can select a good and reliable office.

Immediately he selects his office, he is to make himself familiar with the full particulars and details of his office as to different plans of assurances, terms of policies, financial stability, investment policy, etc., as well as general policy of the office in relation to other offices, as he has to compete in many cases with the workers of rival offices.

General education and culture, study of insurance and its complexities will be a great advantage to an agent in his discussions with the insuring public. A successful agent has to face many difficult problems and failures in good grace. In each failure he learns new things which will enable him to equip himself properly for future.

In his own interest the agent must introduce his subject to the proponent tactfully and in open, direct and business-like way, not wasting the precious moments in digressions, confine himself to a plain statement of facts and try to avoid as far as possible to force conclusions. If the facts can be carefully arranged, the inferences are inevitable. In most cases it is better to wait than to precipitate a decision remembering that on rare occasions the proposals of assurance can be secured in the first interview. The agent may have to canvass the proponent frequently and in such a way that he would yield and give his assurance. He should not talk improbable things. He must always assume that the proponent knows his interest and business well. Deception and suppression of facts are double-edged weapons. They injure both the assured and the agents alike. The proverb "Honesty is the best policy" should be the motto of every agent who wants to prosper in the line.

A successful agent is never discouraged by "No." In a straight way and with good grace he should impress upon the proponents the necessity of provision for old age, to do their duties to their dependent families and do it immediately.

An important factor in canvassing is the

nature and temperament of an agent. He should avoid elaborate discourse upon the desirability, necessity and convenience of insurance. Passion should not come into such discussion, judgment in that case is disturbed.

A good agent should not grumble when a proposal is rejected by the company. He should always remember that a proposal is rejected by the company for valid reasons only. Such incidents should be accepted in good grace and he would go in for the next proposal. One should try to get the best risk and never ask the office to insure any but persons of good health and good family history, enquiring thoroughly about his actual age, occupation, financial position and general habits before recommending their acceptance.

Applications for assurances should be filled up with extreme care, as such applications are the basis of contracts in life insurance upon which widows and orphans may have to depend. They have got no right to risk the same by their haste and carelessness. Each question should be carefully answered and must be complete by itself before papers are sent to the office. This will save much time of the company. Before concluding I would refer to one more important point. At present there are some agents who offer rebates of premium to the assured. This practice is extremely detrimental to the interests of the agents and it has a demoralising effect. I fail to understand why agents by adopting this practice reduce their own remuneration. My predecessor made reference to this in his presidential address last year but nevertheless this menace still exists amongst some of the agents. I would therefore request the conference to give the matter very serious consideration and pass resolution urging all agents to refrain from offering rebates.

After the Presidential address was read, Mr. S. Bagchi of India Equitable, Captain of the Volunteer Corps of the Conference delivered a neat little speech in the course of which he said: "We have no pension



L. B. Sen

President of the First Session of the Indian Insurance Companies Agents' Conference, 1931

we have only a promise of renewal, but you all know on what flimsy pretexts our renewals are stopped Now what is to be done ?" He emphasised the necessity of an association of workers and said :

Wh ought to have a regular Association, where details of our work and comparatively

minor difficulties might be discussed and solved. Such an association should, at the same time, safeguard our interests and of the companies on whom we depend for our daily bread. Our Association should not hamper the Companies but insist on our being properly treated by the companies and the companies also being fairly served by us ;

for after all with the companies we also rise or fall.

Mr. K. K. Banerjee, Secretary of the Reception Committee, also addressed the Conference and voiced several grievances of the agents. He made the companies responsible for the growth of an unfair competition between agents and pseudo-agents by resorting to a policy of indiscriminate appointment of agents by the companies which did not safeguard the interests of the agents who have taken up the profession and work seriously. He said :

Brothers, I consider it the primary duty of those of us who have seriously taken to insurance as vocation in life to so marshal our forces as the indiscriminate recruitment of agents by Insurance Companies without caring to enquire what their antecedents are may be stopped. Let us put our heads together and devise means so that it becomes impossible for Insurance Companies to enlist any and every person as their representatives. Can you deny that some elementary education in salesmanship, policy conditions, and the like is necessary if one has to work conscientiously for the good of one's clientele as well as of one's own? I dare say you cannot. To my mind this problem can be best solved if an Association of Agents be formed for imparting necessary insurance training to field workers, and arrangements made with Insurance Companies for appointing such agents only who have received the requisite insurance training therein and passed out as qualified field workers by the Association. If this is done, I feel certain that it will be to the advantage of all concerned. This will impose a check on undesirable and dishonest persons coming in the field of insurance.

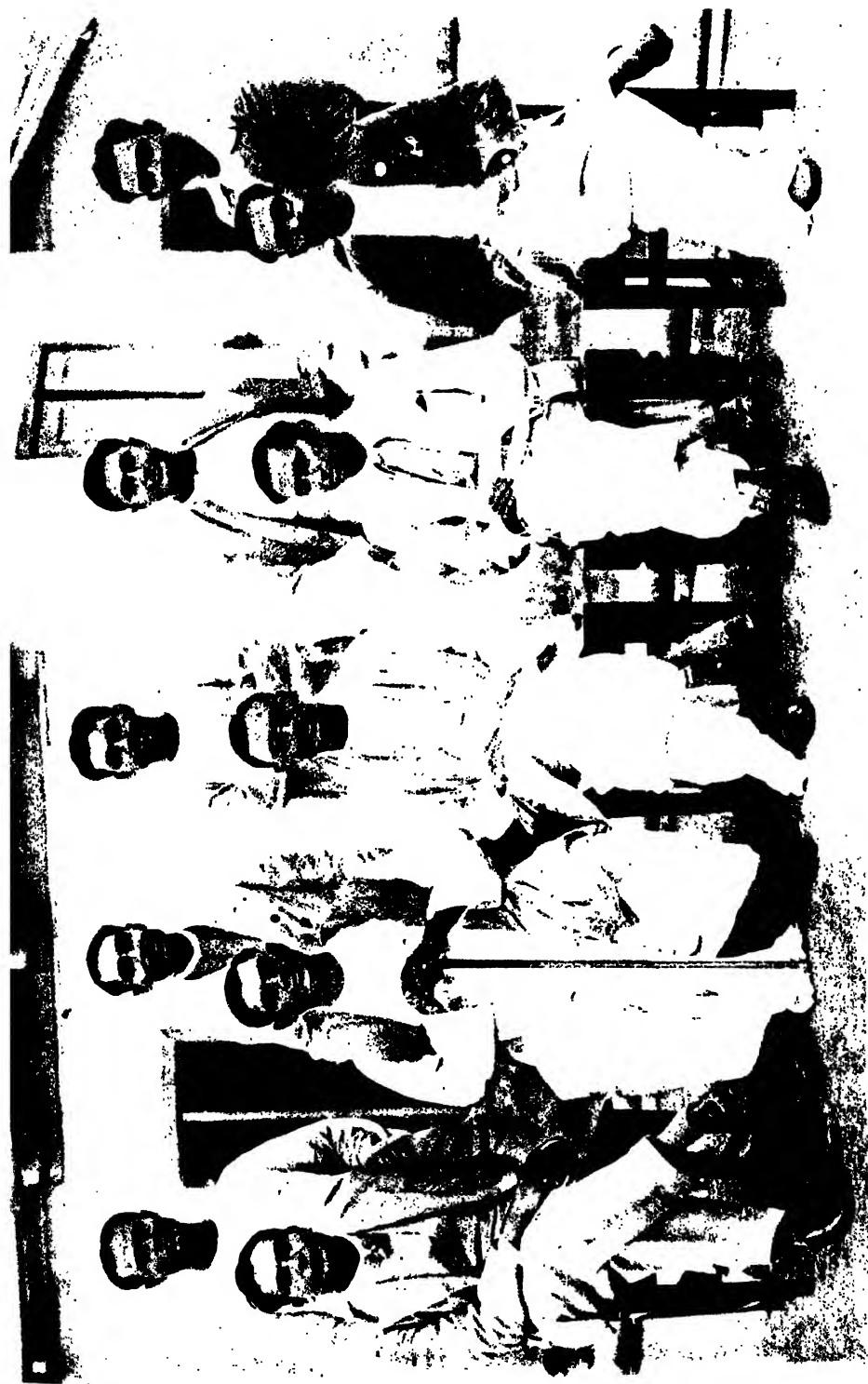
Mr. Sachindra Prasad Basu, Editor of the *Byabosha-O-Banijya* in compliance with a request from the chair, made an interesting and forceful speech in which he dwelt at

length on the benefits which insurance is capable of providing for mankind, and on the social importance of insurance agents as a class who carry the message of this device from door to door. He also gave short accounts of the great men in Indian insurance to-day who began life very modestly and are now millionaires.

Immediately after these speeches were delivered, Mr. H. L. Mukherjee, a delegate from the Metropolitan Insurance Company Ltd, Calcutta, took the Conference by surprise by raising a voice of emphatic protest against certain remarks made by the Chairman of the Reception Committee in the course of his speech in regard to the conduct of agents which appeared to Mr. Mukherjee somewhat unjustified and unwarranted. From the manner in which Mr. Mukherjee's speech was treated by the audience it appeared that not a few had sympathy with Mr. Mukherjee in condemning the alleged generalised remarks about the agents. A discussion followed which began to acquire large proportions and had to be stopped by a ruling from the chair.

A joint-statement drawing attention to the already started Insurance Education Society which would start an Insurance College in Calcutta for the proper training of insurance men of the country the need for which was so highly emphasised by the President, Chairman and all speakers of importance in the Conference, was made to the President by the Editors of *The Indian Insurance Journal*, *Byabosha-O-Banijya*, *The Insurance and Finance Review*, and the Managing Editor of *the Insurance Herald*, and was read out to the Conference.

Dr. S. C. Roy, Managing Editor of *The Insurance And Finance Review*, when called upon to address the Conference by the



Sitting : Left to Right

1. Captain of the Volunteer Corps—Mr. S. Bagchi—India Equitable
2. Chairman of the Reception Committee—Mr. M. N. Bose—Bombay Life
3. President—Mr. J. C. Ghosh Dastidar—Bombay Mutual
4. Secretary—Mr. K. K. Banerjee—Oriental
5. Treasurer—Mr. B. Roy Choudhury—Bombay Life

Standing : Left to Right

1. Mr. J. C. Sen—East India
2. Mr. T. N. Chakraverty—Metropolitan
3. Joint Assistant Secretaries—Mr. S. N. Roy (Choudhury—Bombay Mutual)
4. Mr. H. Mitra—Metropolitan
5. Joint Publicity Officer—Mr. P. Mitra—Metropolitan

President, made in a little speech a review of the controversy that arose in connection with the Chairman's speech and said that neither the companies nor the agents were alone responsible for the difficulties that they have to encounter in the course of their business. If a better feeling of toleration and understanding could be developed these difficulties would cease to trouble us any more.

Delegates and visitors then were treated to refreshments. Mr. I. B. Sen of Messrs. Sen and Co, Chief Agents of Bombay Life donated the funds for the day's refreshments.

Before the Conference was adjourned till the next day, the personnel of the Subjects Committee which was formed previously by nomination of the Working Committee was proposed before the Conference and accepted by the same.

The Subjects Committee met the next morning and discussed many resolutions till a very late hour. The deliberations of the Subjects Committee were carried on with great enthusiasm and resulted also in the tabulation of several important and far-reaching resolutions later on accepted by the Conference.

The proceedings of the second day's meeting was rather dull being thinly attended due to a very inclement weather and heavy rains. The meeting opened with a speech delivered by Prof. Abdur Rahim who said he was conscious of his limitations in speaking about such a technical matter as insurance. He, however, neatly made out his points and urged the raising of the profession of agents to a high status in society. Prof. Abdur Rahim looked forward to a time when insurance agents will cease to be regarded as a nuisance by his

fellows or neighbours or even his clients. He also deprecated the cry of provincialism now so rampant and aggressively propagated in Indian insurance circles. Nobody has any doubt about the wisdom of this argument of the learned professor, but it was thought that he could easily have spared Sir P. C. Roy the criticism which could not properly be levelled against the latter. Nevertheless, the speech was highly appreciated.

The Conference then adopted the following resolutions unanimously :

FIRST RESOLUTION

This Conference places on record its deep sense of sorrow and loss to the cause of Indian Insurance at the sad demise of :

1. Late Mr. S. E. Warden, Chairman of the Board of Directors, Oriental Life Office.
2. Late Mr. P. Rangaswami Iyengar, Branch Manager, Madras, Hindusthan Co-operative Life Office.
3. Late Mr. L. R. Krishnaswami, Branch Secretary, Oriental Life Office, Calcutta.
4. Late Mr. P. C. Banerjee, Branch Secretary, Madras, Great India Life Office.
5. Late Mr. B. B. Mitra, Office Superintendent, Bengal Insurance and Real Property Co. Ltd.
6. Late Mr. Suresh Chandra Sen, Assistant Secretary, Indian Insurance Agents' Association, Mymensingh.
7. Late Mr. Manmotha Bhusan Ghosh, an employee, Hindusthan Co-operative.
8. Late Mr. Sitanath Das of Modern India.
9. Late Mr. Rabindra Nath Maitra of Bengal Insurance and Real Property Co. Ltd.

who passed away since the 1st session of the Conference and resolves that condolences be sent to the families concerned expressing sympathy in their bereavement.

Moved from the Chair.

SECOND RESOLUTION

That this Conference appeals fervently to the Indian public in general to support Indian Insurance and Indian Insurance alone and thereby help in the development of the country's resources.

Mover : Mr. M. N. Bose (Bombay Life)

Seconded by : Mr. J. K. Ghosh (India Equitable)

THIRD RESOLUTION

Be it resolved that this Conference is of opinion that the present economic condition of our mother country demands that all Indians should contribute their quota to the economic emancipation of our country and with a view to that, it appeals to the national consciousness of their comrades to represent Indian Companies alone and thereby further their country's cause.

Moved by : Mr. B. Roy Chowdhury
(Bombay Life)

Seconded by : Mr. H. K. Chowdhury
(India Equitable)

FOURTH RESOLUTION

That this Conference requests the Indian Life Offices Association and the Companies as well to safeguard the interests of the agents particularly with regard to the renewal commission which in the opinion of this Conference should not be forfeited.

Moved by :—Mr. T. N. Chakravarty
(Metropolitan)

Seconded by :—Mr. A. K. Ganguli
(Industrial and Prudential)

FIFTH RESOLUTION

Resolved that in the interest of the Companies and the Agents and the cause of Indian Insurance in general the Head Offices, the Branches and the Chief Agencies of the

Indian Insurance Companies as well as the Indian Insurance Institute and all such organisations as may be interested in the well-being of Indian Insurance be requested to start training institutions for agents in suitable centres as early as possible.

Moved by : —Mr. J. N. Bose (Bombay Mutual).

Seconded by : J. N. Ghosh (New India)

SIXTH RESOLUTION

The members of the Legislative Assembly be requested to introduce a bill, imposing restrictions on the unhealthy growth and unsound working of the Free Insurance Companies working on the dividing principles.

Moved by : Mr. H. K. Chowdhury (India Equitable)

Seconded by : Mr. M. N. Bose (Bombay Life)

SEVENTH RESOLUTION

The Government of India be requested to retain the maximum amount of Postal Insurance as before *i.e.* Rs. 10,000 and to cancel the recent order raising the limit of assurance from Rs. 10,000 to Rs. 20,000 which, is deemed to be detrimental to the interests of the Private Companies and their agents.

Moved by : —Mr. J. K. Ghosh (India Equitable)

Seconded by : —Mr. J. C. Sen (East India)

EIGHTH RESOLUTION

This Conference appeals to all the agents representing Indian Insurance Companies to be always alive to the heavy responsibilities and sacred trust with regard to the quality of the business they introduce upon which the success of Indian Insurance entirely depends and under no circumstances they should be a party to any action inconsistent with the dignity of the profession.

Moved by : Mr. B. Roy Chowdhury (Bombay Life.)

Seconded by Mr. N. Pramanik (Hindustan Co-operative.)

NINTH RESOLUTION

This Conference requests the Indian Life Offices Association to organise an all India Insurance Publicity with branch organizations in all important centres with a view to popularise, even in the remotest parts of this country, by posters, public meetings, lectures with lantern slides and other possible ways, the necessity of insurance and that with the Indian Insurance Companies alone.

Moved by : Mr. A. K. Ganguli (Industrial Prudential)

Seconded by : Mr. T. Chakravarty (Metropolitan)

TENTH RESOLUTION

Resolved that an Association be formed under the name and style of "Indian Insurance Companies' Field Workers' Association" mainly for the purpose of :

(1) Safeguarding the moral and material interest and improving the status of all Insurance Field Workers representing Life Insurance Companies registered and incorporated in India and working under the Indian Companies Act of 1913 and the Indian Life Assurance Companies Act of 1912.

(2) That a provisional committee consisting of the following 15 members with powers to co-opt be formed for the purpose of framing rules and regulations of membership and for the guidance and conduct of the affairs of the Association.

1. Mr. J. C. Ghosh Dastidar (Bombay Mutual)
2. Mr. I. B. Sen (Bombay Life)
3. " K. K. Banerjee (Oriental)
4. " M. N. Bose (Bombay Life)
5. " H. K. Chowdhury (India Equitable)
6. " S. R. Mitter (Modern India)
7. " N. Pramanik (Hindustan Co-operative)
8. Mr. J. N. Ghosh (New India)
9. Mr. S. N. Roy Chowdhury (Bombay Mutual)
10. " H. C. Mitra (Metropolitan)
11. " S. Bagechi (India Equitable)
12. " A Ganguli (Industrial and Prudential)

13. Mr. N. B. Sen Sharma (Modern India)
14. " B. Roy Chowdhury (Bombay Life)
15. J. C. Sen (East India)

Moved By : Mr. S. R. Mitter (Modern India)

Second By : Mr. J. N. Ghosh (New India)

ELEVENTH RESOLUTION

That the Indian Universities be requested to consider the possibility of imparting instructions on the subject of insurance through schools and colleges affiliated to them.

Moved by : J. N. Ghosh (New India)

Second by : S. K. Ganguly (Aryan)

TWELTH RESOLUTION

The Indian Life Offices Association and also the companies themselves be requested to safeguard the interests of the organisers, the Inspectors, the Agency Superintendents and all such persons, as may be placed in charge of organisations of agencies by way of old age pensions, provident funds and such other provisions as may be deemed suitable to their respective positions.

Moved by : Mr. N. B. Sen Sharma (Modern India)

Seconded by : Mr. N. Pramanik (Hindustan)

THIRTEENTH RESOLUTION

That copies of the resolutions be sent to proper quarters.

Moved by : M. N. Bose (Bombay Life)

Seconded by : B. K. Bose (United)

Gentlemen present were treated to refreshments for which Messrs. J. N. Ghosh, S. Bagechi, H. K. Choudhury and J. K. Ghose jointly donated.

In compliance with the request of the President, Dr. S. C. Roy, Mr. S. C. Roy and Mr. M. Moulik made short speeches and the proceedings were brought to a close. The Chairman of the Reception Committee proposed a vote of thanks to the Chair and Mr. S. Bagechi thanked the gentlemen present. After a fitting song, the Conference came to a close.

Insurance Agents—A New Socio-Economic Force*

By PROF. BENOY KUMAR SARKAR

INSURANCE AGENTS—A NEW SOCIAL CLASS IN BENGAL

The five to seven thousand insurance agents of Bengal constitute to-day a class by themselves in the occupational structure of the Bengali intellectuals. Like the zamindars who owe their status and position



Professor Benoy Kumar Sarkar

to the political revolution of the latter half of the eighteenth century, and the lawyer—school master—medical doctor group that has come into prominence on account of the cultural revolution and modernization movements of the middle of the nineteenth century, the Insurance agents embody the processes and consequences of the industrial

revolution that has been going on since 1905, and especially in post-war years.

ASPOSTLES OF SOCIAL REFORM

As a new socio-economic group or professional class the insurance agents, in so far as the life branch is concerned, have succeeded in popularizing among our countrymen the idea of making provision for widows orphans and old age. Their services in this regard have amounted in practical life to more than what tons of literature on social reform could produce in Bengal during the last hundred years. In the second place, the activities of the insurance agents represent unfiring patience, strenuousness, diplomatic skill, the will to succeed in the face of indifference and opposition, and last but not least, the power to convert an emphatic and arrogant "no" into an equally emphatic but friendly and co-operative "yes." These are all social virtues of the highest order. Among the many achievements of Young Bengal none is more glorious, therefore, than the creation of this new moral and intellectual force as embodied in thousands of effective apostles of social reform.

AGENTS' PART IN BUSINESS EXPANSION

Insurance agents are connecting links between the insurants and the business world. They are agents not only of the companies but also of people at large. In the social economy of the country they are not only the friends of the families and their instructors in the methods of physical and material

* Extracts from the inaugural speech delivered by Prof. Sarkar at the Indian Insurance Companies Agents' Conference, Calcutta. —Editor.

welfare but at the same time the hands and eyes of the offices, the very foundation of their prosperity. It is to be hoped that the Association of Insurance Agents will succeed in getting their proper claims adequately recognized both by the people as well as by the companies.

The agents are going to play a weighty role in the expansion of business that the companies may expect in the near future. The purchasing power of the somewhat favourable circumstances created by the Imperial Preference, anti-dumping legislation as well as the exports of capital from the U. S., Great Britain and France such as are likely to be facilitated by the World Economic Conference. The active co-operation of the agents will in that eventuality as always be a most valuable asset of the companies in the steady acquisition of sound cases. The companies should make it a point to come into contact with the Agents' Association in order to plan out programmes of joint endeavour.

THE JAPANESE STANDARD OF LIFE INSURANCE

Among the Swadeshi Insurance Companies just at present we have only 14 each with more than 5,000 life policies and only five with more than 20,000. The total life policies administered by the Indian as well as foreign companies in India number something about 700,000 and are therefore less than the number administered by the Nippon Life Insurance Company of Osaka, the biggest of the Japanese concerns. In all India postal insurance policies number some 60,000 only whereas in Japan the number on this count is nearly 15,000,000.

The general life policies of the Bengali

people do not appear to be more than 100,000 in number whereas in Japan 5,062,000 life policies of a general character are in force. The proportion is furnishing a perpetual challenge to the ambitions of our insurance agents.

URBANIZATION AND EDUCATIONAL ADVANCE

The situation should appear to be encouraging from the standpoint of clientele. The number of towns-people has grown from nearly three millions in 1911 to three and three quarter millions in 1931. For every thousand rural persons there were 69 urbans in 1911. In 1931 the number has risen to 79. To-day in Bengal there are some 25,000 persons living on their income, some 50,000 employed in public administration and over 280,000 in the professions and liberal arts. Even ignoring all the other occupational classes,—industrial, commercial etc., there is plenty to do for the insurance agents among these nearly 400,000 men and women.

The educational progress of the Bengali people should also furnish a stimulus to life business. The number of university and college students has more than doubled itself in two decades. From nearly a million and a half the number of students in general schools has risen to nearly two millions and a half during this period. The number of students going in for technical training of the school standard has likewise risen from some 1,600 to over 5,700.

SANITATION AND INSURANCE

Insurance business is on the one hand an item in the growth of capital and a branch of economic development. On the other hand it touches the questions of population and public health.

For an insurance agent as a scout of the society the most important items to notice are certainly the financial condition, the standard of living and general culture of the individuals. Not less if not more valuable, perhaps, are the conditions of health and physical fitness.

It should be gratifying for them to be able to note that the curve of death rate has been declining since 1921 not only in Bengal as a whole but also in each of the five Divisions of our Province. In Chittagong Division where death rate is the lowest in Bengal, the curve for men has declined from 21.6 per thousand to 16.2 and in Rajshahi where the death rate is the highest the decline is from 33 to 25. For all Bengal the improvement is marked by the decline being from 30.6 to 21, the annual average being 24.9.

TREND OF DISEASES

During the last decade the most important cause of death was fever, this being responsible for 712.5 out of 1000 deaths. It deserves notice, however, that whereas in

1920 fever was responsible for 25.2 death per 1000 of population, in 1929 it was responsible for not more than 15.3. In spite of epidemics the trend of diseases seems to be favourable to longevity, and this should be a spur to the agents as well as the companies.

WANTED A COLLEGE FOR INSURANCE MEN

The insurance agent of to-day is the insurance company promoter and director of to-morrow. It is, therefore, desirable that the Bengali people should organize institutions of "re-education" or "adult education" for insurance men. A Bengali College of Economics, Statistics and Social Science might be established with the object of offering regular evening courses to business men not only in insurance, but also in international trade, banking, industrialization, demography, currency questions, occupational groups, world economy, sanitary legislation, and allied topics. The scheme is likely to appeal to a very large number of younger insurance men bank managers and commercial apprentices.



CURRENT TOPICS

Indian Commerce and Industry

The following are extracts from the Presidential address of Sheth Walchand Hirachand at the Sixth Annual Meeting of the Federation of Indian Chambers of Commerce and Industry held on 15th April, 1933, at Delhi :

DECLINING TRADE

During the period of uncertainty in the past year, India's normal trade naturally suffered a heavy set back in addition to the set back caused by the world-wide depression that has existed for the last four years. India's balance of trade which was always in her favour and which was helped in discharging her obligations outside India diminished to a very alarming extent. In any other self-governing country such a fall in the balance of trade would have created a stir in the Government circles, and would have spurred them to adopt emergency measure to adjust the import and export trade of their country. In India, however, as it did not adversely affect the British commercial and industrial interests, the usual policy of *laissez faire* continued to prevail. Whilst in other countries either the currency policy is adjusted to suit the exigencies of the situation or tariff-walls are erected to check the imports from foreign countries, in India, unfortunately, the administration not being in national hands, there have been no re-adjustments in either the currency or the tariff policy of the Government of India whose currency policy has always been subordinated to the interests of Great Britain. The haphazard manner in which the policy of discriminating protection is applied by Government, combined with the newly adopted policy

of Imperial Preference, has not resulted in any appreciable progress in the establishment of new industries in the country. This apathetic attitude of the Government of India towards the increasing unfavourable balance of trade against India makes us feel despondent about the future of the economic condition of our country. The appeal made by promoters of several Swadeshi and "Buy Indian" Leagues to check foreign imports to the greater use of indigenous goods has had some effect in the beginning, but as these movements had not only not had the support of Government as in Great Britain but were looked upon with suspicion, the efforts and the effect thereof began to dwindle.

Export of Gold

The callous indifference with which the people's gold reserve is allowed to be drained away in spite of the unanimous condemnation by the representatives of the Indian commercial community is a vivid example of how the interests of a nation ruled by another are disregarded by the latter for its own advantage. That the exports of gold from India were required by Great Britain to give strength to the pound sterling does not now require to be proved. If still there is any doubt lingering in the mind of any of my countrymen, they have merely to look at the policy pursued by such nations as the United Kingdom and the United States of America with their gold hoarded in vaults and then to compare the same with the opposite policy in this country adopted by the administrators belonging to one of these nations. Whilst the United States of America with more than 7,000 million dollars worth of gold in their vaults think it wise to put an embargo on the export of gold, India's non-Indian Financiers

Minister characterises this distressing feature of gold exported from India as a "pleasing phenomenon." It is not difficult for us to understand why this phenomenon of the export appeared pleasant to Sir George Schuster and his countrymen. It is, however, necessary to examine the ingenious argument used by the Finance Member in defence of his inaction. The Finance Minister puts forth a very amusing theory that the proceeds of gold realised by Indian sellers had been transferred to interest-bearing investment. It seems that he has ignored the fundamental fact that the average Indian is not likely to bring into market his gold ornaments unless he is compelled by circumstances to meet daily wants. Thus, a portion of the sum realised by the sale of gold must have gone to the money lenders from the pockets of the kingdom has placed British industries face to face with severe competition from its rivals on the continent. British industries for the last 15 years have not been able to face world competition in the Eastern markets of the globe and the very policy of free trade of which Britain boasted for more than 80 years had to be changed to one of protection. The McKenna duties, the Safeguarding of Industries Act, the Dye Stuff Importation Act and the recent Import Duties Act are a sufficient indication that the existing plight of British Industries forced the hands of the British Parliament and Ministers to give up the economic policy founded by Richard Cobden and John Bright familiarly known as the Manchester School. After the great war no efforts were spared by British administrators abroad in the dependencies and in the colonial empire to give by administrative acts whatever relief they could give to British industries. Discrimination in favour of their industries at the cost of indigenous ones was the principle on which the British administrators governed the country under their control during the last 15 years. We have an illustration of this policy in the passing of the Indian Currency Act of 1927 when the rupee was appreciated by Statute to 1s.6d. to give advantage to British industries to the extent of 12½ per cent.

I would also like to ask those who are arguing

from the British side whether their own industries, either the textile industry of Lancashire or the British shipping industry, are not built up to the present high position by an unambiguously deliberate policy of discrimination against every other nation and by following a policy of ruthless exploitation of countries, that were either dependencies or colonies, under their control and management. They now want to prevent India from using the very weapon which they themselves used in the past not only in their own country but in India during the period of their administration to build up their own industries. Now that they have secured a certain privileged position in the commercial and industrial life of this country, they want to retain that position even at the cost of the interests of the children of the soil. I would like to ask what earthly chance can Indian enterprise have against the already established large-scale industries and giant vested interests possessing huge reserves, accumulated experience and resources enough to wipe out all Indian newcomers, unless these newcomers are protected by the Government through discriminatory powers, both legislative and administrative, against non-nationals. I personally hold the firm conviction that no country at the present day can develop her industries without following a deliberate policy of discrimination, without excluding the non-nationals in the country, without giving substantial help either in the form of subsidies or bounties to those nascent industries that require careful bringing up, and I personally see no relief in any formula, howsoever worded, unless the clear right of discriminator against any non-nationals is vested in the country.

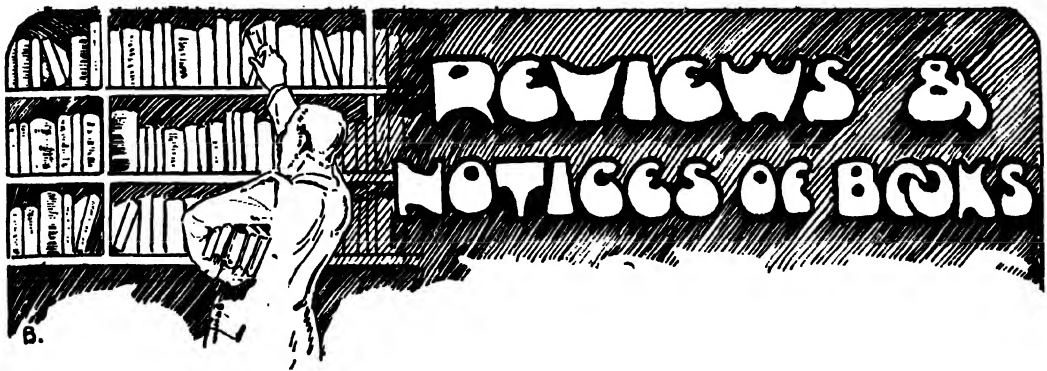
The Proposed Railway Board

The question of the establishment of a Railway Board to administer the affairs of the Indian railways really came as a surprise to those who were all along told at the second and third Round Table Conference that this body will be constituted by the newly-formed Federal Legislature. The railways in India with more than 800 crores invested therein constitute the

biggest asset of the country. They have been so far managed by a Railway Board with the Commerce Member at the Chairman. No necessity has been felt for constituting a Statutory Board for the administration of these railways. I do not know whether the proposal as incorporated in the White Paper is the result of any apprehensions entertained in British circles owing to the fact that the future Commerce Member of the Federal Government will be an India Minister and therefore he may not be relied upon to follow the same policy that his predecessors had been following in the pre-federal period. The Railway Board wields an enormous power to make and unmake any industry in the country and if this power is wielded in the national interests of the country, I am sure many an industry will be encouraged

in the land and will add to its prosperity. Looking back to the history of the administration in the past, I can well understand the object of the British administrators to constitute the Railway Board as a close preserve for British interests and as the administration will be run by non-Indian persons at the helm, there will be very little chance of the future Railway Statutory Board with immense assets worth nearly 800 crores under their control following a policy that would relieve unemployment in the country, increase the country's productivity and add to the national wealth. I am voicing the unanimous opinion of the entire commercial community when I say that the mercantile community view with grave concern the proposal in the White Paper relating to the establishment of a Railway Board,





LAW AND PRACTICE OF LIFE ASSURANCE IN INDIA -By *Taradas Dutt, M.A., B.L., Advocate, Calcutta High Court, and published by Messrs. M. C. Sarkar & Sons, Ltd. 15, College Square, Calcutta. Price Rs. 8.*

Mr. Taradas Dutt, the author of the book under review, is to be congratulated upon his bringing out such a publication at a time when the number of Life offices is on the increase, the number of workers in the line are swelling tremendously and the number of enquirers of insurance knowledge is a legion. It has been the principal aim of the author to present in a clear and concise manner the law of Life insurance as it obtains in India embracing all its departments of work. Till the enactment of the Indian Life Assurance Companies Act and the Provident Insurance Societies Act (Act I and V of 1912), insurance business in India was regulated by ordinary Company Law. As these two statutory Acts are mainly directed towards regulating the working of companies and societies, we are to search elsewhere to find out answers to many of the questions arising out of the various aspects of the contract of Life assurance. In answering to the above requirements, the present publication may well be considered as a pioneer one. Mr. Dutt has relied upon and consulted a large number of English publications on the subject and wherever it was found possible, the author has copiously made use of the rulings of the Indian Courts. There had been occasions when decisions of Indian Courts ran counter to

British rulings. In that case Mr. Dutt has preferred Indian rulings. In certain places the author has looked into Fire and Marine insurance laws in order to enunciate new principles of law. In order to make the work more thorough Mr. Dutt has incorporated the rules made by the Governor-General in Council under sections 27 and 39 of the Indian Life Assurance Companies Act and those made by the local governments under section 24 of the Provident Insurance Societies Act. The book under review is one of the most important additions to the existing insurance literature and we congratulate the author on his eminently successful venture.

INSURANCE HERALD *First Anniversary Number.* Editor, *Sukumar Banjan Das, M. A., Ph. D. ; Managing Editor, Ashutosh Banerjee ; 137, Canning St. Calcutta.*

We congratulate the Editor of the *Insurance Herald* on its stepping into the second year of its eventful existence. The Anniversary Number under review which heralds its entrance into the second year of its life, is an eminently useful publication replete with a variety of subjects written by men who have a right to speak on the subject in view of their attainments in the world of insurance. Besides these articles this issue contains a good deal of useful information which will be of great help to the workers in the field. On the whole, the present issue is a sumptuous publication which does credit to those who are responsible for its clever execution.

S. B. R. C.

COMPANY NOTES

The Bombay Mutual Life Assurance Society, Ltd.

The Bombay Mutual is the oldest Mutual Company in India being established in 1871. It has had a steady career of progress and today it is one of the strongest insurance companies in India. The Directors' Report of the Company for the year ending 31st December, 1932, discloses yet another chapter of its march of progress and in the year under review the Company received 5588 new proposals for assurance amounting to Rs. 1,01,11,000. Of these 4568 proposals resulted into policies assuring an amount of Rs. 75,65,000 and yielding an annual premium income of Rs. 3,88,127-2-0. If this rate of progress is maintained which we hope it will be, we can foresee Bombay Mutual's position assured in the ranks of the "Big Five" of Indian Insurance Companies. The premium income of the Company is growing up steadily and during the year under review it amounted to Rs. 10,51,963-0-5. The Society's investments in Government and other securities as on 31st December 1931 and those of the present year have appreciated considerably to the extent of Rs. 4,18,894-8-8. The total assets as at the close of the year amount to Rs. 26,98,355-7-1. The Society's claim experiences have rather been happy and show careful selection of lives.

We understand that 40 per cent. of the

new business of the Company goes to the credit of Messrs. Dastidar and Sons, the Chief Agents of the above Company for Bengal, Behar, Orissa and Assam. This colossal figure has added one more feather to the cap of Mr. Ghosh Dastidar who has given the best part of his life to the service of the Company he so creditably represents even to-day. Our warmest congratulations to Mr. Ghosh Dastidar on his brilliant record of service.

Indian Mutual Life Association Ltd.

We have received a copy of Directors' Annual Report and Statement of Accounts of the Indian Mutual Life Association Ltd. for the year ending 31st December, 1932. This is the eighth year of working of the Association. The total number of proposals received were 626 for Rs. 8,10,250 -out of which 462 resulted into policies bringing in the Association's books, Rs. 6,26,750 worth of new business. The others were either rejected, postponed and are awaiting completion. This marks a steady advance over the preceding year's business, the increase being 15 per cent. over the last year's business. Considering the acute financial depression in the country, this result ought to be considered remarkable.

The net premium income of the Company has increased from Rs. 79,053 to Rs. 93,305 and the total income of the Company has increased from Rs. 82,773 to Rs. 99,536.



S. C. Mitra

The mortality experience of the Association has been very favourable throughout. Claims by death amounting to Rs. 6,662 only. This indicates the care and caution undertaken by the Association in the selection of risks, particularly in the face of a very keen competition.

The already low expense ratio of the Association has further been brought down during the year under review. The cost of management absorbed only 39 per cent. of the total premium income as against 41 per cent. in the previous year. The Association by adopting stringency has been able to declare decent bonus at the very first valuation.

The Reserve Fund increased from Rs. 1,07,378 to Rs. 1,62,356 and is composed of Life Fund consisting of Rs. 1,52,390, Investment Reserve Fund of Rs. 4,410, and Bonus Equalisation Fund of Rs. 5,555. The total sum is quite a considerable one.

The investments are in gilt-edged securities and in loans against policies. The

securities have appreciated to a considerable extent, and this appreciation is favourable for the Company.

The Company is extending its operations to various parts of the country, and the Calcutta Branch which was established sometime back with Mr. S. C. Mitra as Secretary has been, we understand, progressing considerably. We wish the Company, the Branch and Mr. Mitra a successful career.

The Postal & R. M. S. Co-operative Benefit Fund, Ltd., Madras

We have received the 10th Annual Report, Statement of Accounts and Balance Sheet of the above Fund for the year ended 30th June, 1932 together with the Revenue Account and Balance Sheet for the period 2-3-1931 to 30-6-1931. This fund, as we had the occasion to remark in a former issue of this journal, was started in 1921 and is a purely benefit institution intended for the benefit of the Postal and R. M. S. employees throughout the land with all its funds provided by postal employees, with all its investments made with utmost caution commensurate with its obligations to policyholders. One of the redeeming features of the fund is that there is no agent for the purpose of procuring business and, therefore, it has had the advantage of saving a lot of money and thus reducing the management of expenses.

During the year, 92 new life proposals were received for sums aggregating to Rs. 1,14,350. Of this number 68 were accepted and resulted in new policies assuring an aggregate sum of Rs. 83,000. The net annual premium income attaching to the new business for the year is Rs. 3,353-9-0. During the year 30 claims on account of death and 6 on account of survival maturity

aggregating to a sum of Rs. 55,850 became payable. Of this, a sum of Rs.36,000 was paid and the rest was paid either after the close of the year or pending the satisfaction of the management. The Reserve Fund to-day stands at Rs. 2,60,529-10-9 and the total interest income of the Fund on its investments after deduction of Income Tax on the interest on Government Securities

was Rs. 11,566-12-3. The membership of the Company is growing apace and it is hoped that before long it will be able to count upon all the postal employees of India as its members. We confidently hope that in the years to come the above Benefit Fund will grow into a gigantic institution worthy of the confidence of the poor men's money.



NOTES AND GLEANINGS OF THE MONTH

Safeguarding of Indian Industries

The Japanese competition in the Indian market not only in textiles but also in other commodities could not be checked by any measure adopted by the Government till it had to take resort to an anti-dumping measure against the inflow of cheap goods from Japan. The Anti-Dumping Bill was passed by the Legislative Assembly without a division. The Bill provides that, if the Governor-General in Council, after inquiry, thinks that the produce or manufactures of a foreign country are being imported into British India at such abnormally low prices as to endanger an existing industry in British India, he may impose on such imports a customs duty of such amount as he considers necessary.

Although the Commerce Member has assured us that the principle would not encourage preference by the back door in favour of British goods, the Act is likely to increase the burden of consumers who would be called upon to make increasing sacrifices in the form of higher taxes and prices. This sacrifice would, however, be somewhat compensated if the Indian millowners may put their own house in order by taking advantage of this protection. The internal competition among the Indian mills must stop and there should be an earnest attempt on their behalf to lower costs of production as far as

practicable. A spoon-fed or bounty-fed industry can only survive if during the period of spoon-feeding it can stand on its own leg, or else no amount of "safeguarding" can ensure a future for the industry.

The abrogation of the Indo-Japanese Commercial Convention of 1904, as notified by Sir John Simon, the British Foreign Secretary, has given rise to much speculation. The talk of retaliation by Japan on the one hand, and that of "ultra-dumping" on the other, are freely indulged in. But well-informed circles believe that Japan would resort to neither. The Japanese Minister of Commerce has himself deprecated the practice of price cutting by the Japanese manufacturers and has expressed his intention of adopting some of the following remedies against it :

- (i) Retaliation by a tariff on Indian raw cotton.
- (ii) An export tax.
- (iii) Official fixing of prices of exports.
- (iv) A quota agreement with India.

The first measure would obviously injure Japan more than India, and the second and third appear to the almost impracticable. So, the only other way remaining open to Japan is to make an agreement with India for the regulation of her imports. We hope it would be fair for both India and Great Britain to allow Japan to amend the conven-

tion of 1904 in the light of the Anti-Dumping Act.

Production Costs in Bombay and Japan

In view of the propaganda that has been going on for some time against the proposal of some Bombay millowners to reduce wages it is interesting to compare the rates of wages prevailing in Japan with those of Bombay mills and also the number of operatives employed per 100 looms or spindles in the two countries. In the spinning section in an average Japanese mill the number of operatives employed for a given count is less than half the number employed in a Bombay mill. On finer counts the discrepancy is even more marked, an average Bombay mill employing nearly three times as many operatives per 10,000 spindles as are employed in a Japanese mill. In the weaving section also Japanese mills employ about a third of the number of operatives required by the Bombay mills per 100 ordinary looms. Where automatic looms are employed the number of operatives is about one-fifth the number employed in Bombay.

According to the latest issue of *The Finance and Economic Annual of Japan*, an official publication, the wages of a cotton spinner in Japan work out, at to-day's rate of exchange at about 12 annas per day, whereas the wages of a spinner in Bombay work out at Rs. 1-2 per day. Similarly, the wages of a weaver in Japan are nineteen annas per day as against Rs. 1-14 per day in Bombay. Combining these figures of wages with the number of operatives employed, the cost of spinning in Bombay appears to be at least three times what it is in Japan and the cost of weaving in

Bombay is about eight times or more of what it is in Japan.

The Agents' Conference

The Second Session of the Indian Insurance Companies Agents' Conference a summary of the proceedings of which has been published elsewhere in this issue, has been of considerable importance from several points of view. Although the resolutions passed by the Conference were mere repetitions of those passed during the previous session, we cannot possibly afford to be blind to the growth of a new spirit of co-operation and co-ordination among agents which latter is more effective than all the resolutions put together. The workers of companies have come to realise their status in the companies, in society, and have been quick to raise a voice of protest against the manner in which they are treated and are obliged to behave in return. They have trumpeted loudly the value of the great humanitarian work which they perform in the course of their daily business and have demanded recognition of the same from those whom they serve. We have also noticed an earnest desire on the part of the workers to raise their profession to a high status in society and to make public attach more respectability to it.

It must be admitted that the Conference is still an infant institution, and as such it cannot be free from some shortcomings. At the same time, it must also be borne in mind that the few gentlemen who had organised this conference and were much responsible for its success had strained their nerves to a great extent in order to make the Conference not only a reality but also worth the troubles taken.

The only resolution which has appeared

to us to bear the possibilities of some practical manifestation is the proposal for starting a "Field Workers' Association" for the purposes of formulating plans and guiding policies of the workers' organisations. The workers have realised that the existing institutions have failed to meet their anticipations regarding any welfare scheme on their behalf, or co-operative partnership as between the employers and employees. The agents have, therefore, come to realise that freedom or independence has to be won for themselves, and it has never been or will ever be presented on a birthday or Christmas Eve from a friend to a friend. We wish this scheme of the workers may see fruition soon and achieve the desired results for an all-round betterment of their position, social and economic. The success of this plan will be the sole test of the success of the Conference.

The Rail Road Conference

We published two articles last month regarding the two different aspects of the rail road problem. The Conference held recently at Simla on this question has thrown further light on the matter. The problem undoubtedly is a very complicated one. The solution in this matter had also proved a despair to the Royal Commission on this question in England. In the Simla Conference too, no definite conclusions could be arrived at. It has given simply a lead to the line of discussion to be followed hereafter by the Central and Provincial Governments for arriving at solutions suited to the conditions and requirements of each particular province.

The proposal for co-ordinating road and railway transport by the Government is

however, prompted by the Government's desire to improve railway finances. These have greatly suffered during the last trade slump, and it is the Government's desire to crush the indigenous motor transport that has developed during the last decade without the help of railways money and attach these road motor services to the railways. The wasteful competition between the rail and road transport services which has been so much emphasised by the Government is more imaginary than real. The only criterion which should be applied at the first instance in the determination of the desirability of the imposition of restrictions on the non-subsidised road transport services or completely absorbing them or annexing them is the measure in the which the interests of the public would be affected. If they are called upon to make greater sacrifices not only in the passenger fares but also in goods freights as a result of this "improvement," of which there is a great possibility then this Conference would be looked upon nothing better than a conspiracy to tax the public in an additional way.

The Statutory Railway Board

Yet another proposal of the White Paper which has been the object of bitter criticism from the press and platform is that of creating a Statutory Railway Board for the administration of Indian railways. These railways are, as is well known, now controlled by the Railway Board with the Commerce Member as Chairman and have an asset worth nearly 800 crores of rupees. This body is thus at the helm of not only a very great economic power of the country but also of an instrument which is itself capable of making or unmaking any industry of the

country by the manipulation of rates, traffic regulations, etc. The apprehension of the constitution makers that a future Commerce Member of the Federal Government who might be an Indian and might direct his powers to the growth and encouragement of Indian industries and the stimulation of national interests has given rise to this ingenious proposition.

We have published elsewhere extracts from the presidential speech of Sheth Walchand Hirachand at the last meeting of the Federation of Indian Chambers of Commerce and Industry where he has protested against the formation of the Board along the proposed lines. The reason which has inspired the British statesmen to formulate this plan is given by Mr. Walchand as follows: "As the administration will be run by non-Indian persons at the helm there will be very little chance of the future Railway Statutory Board with immense assets worth nearly 800 crores under their control following a policy that would relieve unemployment in the country, increase the country's productivity, and add to the national wealth."

The British Budget

The Budget of Mr. Neville Chamberlain has been described by the British press as "dull" and "unimaginative." Though not ambitious, yet it was proud, balanced and hopeful. Mr. Chamberlain can congratulate himself on his achievements of the past year as well. The successful carrying out of a great conversion operation is a tribute to his foresight. The relinquishment of the gold standard and the realisation of anticipated results justify his boldness and optimism. The deficit of £33 millions is nothing when the debt payment of £29

millions and the payment of £17 millions to the sinking fund are taken into consideration. The Budget for the current year estimates a surplus of over £1 million without making any provision for the debt payments to America on the anticipation of the results of the World Economic Conference. Mr. Neville Chamberlain has granted no relief to the tax-payer except with reference to the duty on beer and the capital tax of companies. He has taken a penny off every pint of beer and has reduced the capital tax to 10 s per cent. He has, however, compensated the losses on these two heads by imposing an additional penny on every gallon of heavy motor oils and a duty on motor lorries. The Budget, on the whole, is as safe and sound as it is dull.

Mr. Santosh Kumar Basu -Calcutta's New Mayor

We sincerely congratulate Mr. Santosh Kumar Basu on his being elected Mayor of Calcutta, the second city in the British Empire. This great honour has been most deservedly bestowed upon Mr. Basu who has been an untiring and zealous worker in the cause of the city's civic uplift for nearly a decade. It has been a fitting recognition of the services he has rendered and will be rendering not only to the betterment of Calcutta's civic life, but also to every public cause which he was called upon to uphold. It is indeed a pity that Mr. Basu will be lost by the Congress Party on the floor of the Corporation Council as a vigorous exponent of its principles and as a defender of the rights and interests of rate-payers, but there is also a consolation in the thought that the party interests would not suffer to a very great extent, and the city



Santosh Kumar Basu
Mayor of Calcutta

has been spared the misfortune of having their interests vested in the hands of weaker and less able hands. Mr. Basu's election, as he himself said, carries an assurance that any honest and sincere worker in the public cause is not forgotten when the time comes to honour him. Mr. Basu visualised a programme that lay ahead of the Corporation to fulfil during the coming years. We believe Mr. Basu will be able to realise his ambitions, fulfil his promises and prove an ideal Mayor of this great city.

"Run" on Insurance Companies in America

As a result of the financial crisis in the United States there was a "run" on insurance companies for loans and surrender values by people who found themselves in difficulties

owing to the general closing of banks. In New York State it was found necessary to rush an Emergency Bill through the legislature to arm the Superintendent of Insurance with special powers to deal with the situation, giving him the right to "suspend any provision of the insurance law, in whole or in part" and to impose any necessary condition on the conduct of the business to safeguard the interests of policyholders. The Commissioner thus becomes virtually a dictator as between the companies and the public, and it is said that other States have followed the New York example in the matter of extending the powers of their insurance superintendents.

The First Loan of the Financial Year

The issue of a Rupee Loan which was anticipated for sometime by the market was announced on the 25th April last for an amount of Rs. 30 crores—cash and conversion. The conversion operation which would mean a big saving in interest charges covered the following loans : $4\frac{1}{2}$ per cent. Bonds, 1934 ; 5 per cent. Bonds, 1935 ; and $6\frac{1}{2}$ per cent. Bonds, 1935.

The rate of interest, time of issue and the amount have been all favourable and the Finance Member ought to be congratulated on the success of the loan which is almost assured. The issue of the loan at $3\frac{1}{2}$ per cent points out unmistakably that money is cheap and Government's credit is high. But the investor's choice in favour of this loan would only be diverted by the consideration that the investment would be safe. If the conversion operation is carried out successfully which, we hope, would in most likelihood be, then the Government can be congratulated on relieving the burden of the tax-payers to a very great extent.



Nalini Ranjan Sarker
President, Federation of Indian Chambers of Commerce and Industry

Mr. Nalini Ranjan Sarker

We congratulate Mr. N. R. Sarker on his being elected President of the Federation of Indian Chambers of Commerce and Industry for the year 1933. We are really glad to find that Mr. Sarker's services towards the cause of indigenous industry and trade have won proper recognition in a thoroughly representative body of Indian commercial

interests. He is thus the first Bengali to receive this honour, and his election will compel many a pessimist about business genius of Bengal to a revision of his opinion. It goes without saying that Mr. Sarker's contributions to the cause of Indian commerce have already been plentiful and may he be spared long to render increasing services to the cause he holds so dear at heart.

New India's New Business

We are glad to announce that the New India Assurance Company Ltd. of Bombay has written a completed life business of Rs. 1,02,00,000, during the year ended 31st March, 1933, as against Rs. 88,37,250 during the previous year. The New India opened its Life Department only in 1929, and this phenomenal increase of business this year has established yet another record for the Company.

Indian Tea Planters' Association

At the Indian Tea Planters' Association Annual General Meeting held in Jalpaiguri last month, Mr. Tarini Prosad Roy, the Chairman, in speaking of the Restriction of Exports Scheme, urged also the acceptance by producers of a supplementary Output Restriction Scheme, without which, Mr. Roy considers, the success of Restriction cannot be confidently expected. His Association had realised, he said, that Exports Restriction would cause a considerable amount of dumping on the Indian market—to be roughly accurate, 50 million lbs. a year—which will result in a fall of tea prices. Obviously something has to be done with this extra amount, and assuming that the restriction of output does come about, it will make for a steadier market tone and help to keep prices at a higher level than at present prevailing. Mr. Roy spoke a few words of sound advice to those interested in new gardens under the Restriction Scheme, who would find progress rather difficult at first, but hopes of liberal concessions forthcoming in the subsequent four years might be entertained. Mr. Roy suggested that a purely Indian organisation for pushing tea sales in this country on the *swadeshi* basis should be formed in addition

to the Indian Tea Cess. We hope this scheme will be accepted by the Planters and will find approval with the Indian Tea Cess.

Our Bombay Representative

We have much pleasure in announcing that Mr. A. N. Roy Choudhury, B. A., has been appointed our Representative in Bombay. He had a distinguished career in the Calcutta University and is now qualifying for the A. C. I. I. and F. C. I. I. diplomas of the Chartered Insurance Institute of London. Correspondents may write to him at either (a) Y. M. C. A. Lamington Road, Bombay 4, or (b) 80-82, Esplanade Road, Fort. C/o Davar's College of Commerce.

Indian Life Assurance Offices Association

The following gentlemen have been elected Office-bearers and Members of the Executive Committee of the Association for the year 1933.

President : —Mr. K. C. Desai, B.A., LL.B.,
(Industrial and Prudential)

Deputy President : —Mr. J. P. Dutia
(National)

Hon'y. Secretary : Mr. S. B. Cardmaster
(New India)

Committee : —Mr. N. R. Sarker (Hindustan Co-operative)

Mr. H. E. Jones (Oriental)

Mr. K. S. Ramachandra Iyer
(Jupiter)

Pandit K. Santanam
(Lakshmi)

Mr. J. M. Cordeiro (Bombay Mutual)

S. E. Warden

The death of Mr. Sorabji Edulji Warden, Chairman of the Board of Directors of the Oriental, removes an imposing personality

from the field of Indian life insurance. Connected with the biggest Indian life office for a long time in a position of great responsibility, Mr. Warden's name had become well-known in this country. He joined the Board of Directors of the Oriental in 1904 as a representative of the policy-holders and from 1916 enjoyed an unbroken period as Chairman till his death.

Besides, Mr. Warden was a cadet Parsee industrialist and prominently connected with many joint-stock companies of Bombay. Indian business stands distinctly poorer at his death.

Spurious Swadeshi Cloth

A serious malpractice is prevalent in the markets by which foreign piece-goods are passed off to customers as genuine *swadeshi* cloth. The Secretary of the Ahmedabad Millowners' Association has submitted a representation to the Government of India drawing their attention to the matter which is affecting the sale of Indian products. The representation adds that particularly in Calcutta the practice has become general. This passing off is possible only because pieces do not bear the mark of the country's origin on them. The absence of the mark, along with similarity of designs, marks, finish and stamp, allows the buyer to be deceived very easily. Customs officers usually examine shipments of goods, and they should be instructed to test some of the pieces in bales. The Committee urges the government to take necessary and immediate action in the matter and, if necessary, to enact a legislation to stop such malpractices.

Joint Insurance: Murder of Co-Assured

A novel question relating to insurance arose for decision in a recent case in America. A husband and wife were jointly insured

under a policy which provided for payment of the insurance money to the survivor on the death of either. The husband murdered the wife and the question arose as to who was entitled to the money—whether the husband or the wife's executors or whether the company was entitled to refuse payment to either. As the husband had murdered his wife he was held disentitled in accordance with the rule that a beneficiary who murdered the insured is precluded by public policy from recovering the insurance money. Ordinarily where there is no joint insurance the fund would, in such a case, revert to the assured's estate. In the instant case the court held that as the policy in question was a joint one and the fund was contributed by both, this principle was not applicable and the Company was entitled to retain the money. (*Merity vs. Prudential Insurance Company of America*, 161, Atl. 681.)

A Welcome Address

Messrs. S. R. Chopra & Co., Chief Agents of the Bombay Mutual Life Assurance Society Ltd., for Lower Punjab presented a welcome address to Mr. J. M. Cordeiro, Secretary at the Head Office of the Company, on his arrival in Lahore. The workers and officers of the Company met Mr. Cordeiro in a tea-party at the Braganza Hotel, and Mr. Cordeiro replied to the address in a neat little speech and thanked Mr. Chopra and others responsible for the arrangements made. Mr. S. L. Tuli, Rai Shahib Lala Bhagat Ram Khanna graced the occasion with their presence.

The Great Asoka Assurance Co., Ltd

The title of the Asoka Assurance Company Ltd. of Patna has been altered into "The Great Asoka Assurance Co., Ltd.," to distinguish it properly from another Company of a similar name working in Ahmedabad.

Mr. H. D. Mehta

We are glad to announce that Mr. H. D. Mehta, Managing Director of the Northern India Insurance Company Ltd., Lahore, has been elected by the Indian Chamber of Commerce, Punjab, their representative on the Lahore Advisory Committee, North Western Railway.



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Editorial

Social Insurance

The need for an elaborate and comprehensive scheme of social insurance has been realised for a long time past. The possibility of the evolution of any such scheme has also engaged the attention of eminent socialists for a considerable period of time. Draft conventions of such schemes have also been adopted by the International Labour Conference and various recommendations for schemes have been placed from time to time before the Conference. In Europe considerable progress has been achieved in the field of social insurance, and specially in the following branches, -workmen's compensation, old age, invalidity, widows' and orphans' insurance, etc. In order to obtain for the people a wider range of insurance benefits, these and other subjects have come up for discussion before the 17th

International Labour Conference which is to open at Geneva on the 8th June next. The Conference will consider the questionnaire in regard to these schemes by the International Labour Office and the replies given thereto by the respective governments. These will constitute the first two parts of the proceedings of the Conference, and the third contains a statement of conclusions and the texts of six proposed Draft Conventions and two proposed Recommendations.

The problem is, however, not new to the I. L. O. The International Labour Conference of 1925 adopted Draft Conventions on compensation to be paid in respect of industrial accidents and occupational diseases and the Conference of 1927 adopted Draft conventions on sickness insurance for workers in industry, commerce and domestic service and in agriculture.

The purpose of the present session of the Conference is thus merely to extend the scope of operation of the already existing social insurance schemes in most of the European countries. In addition to the schemes already mentioned, there are in several countries special schemes for particular categories of workers such as seamen, railway employees, civil servants, etc. In these circumstances, the attempts of the International Labour Office to ensure still wider provisions for them cannot be regarded as either premature or inopportune.

The I. L. O. has received great encouragement and support at the hands of various Governments. Only Australia, Canada, India, Irish Free State, Japan, New Zealand and Persia out of the thirty-one States whose views are set out in the Report, take no definite attitude as to the desirability of initiating international action on the matter, as these countries do not possess compulsory insurance legislation, have very little practical experience in the matter and consequently are not in a position to give definite replies to the complex and highly technical questions put to them by the I. L. O. Among the six Draft Conventions, three have to deal with old age, invalidity and death for industrial workers only, and these classes are merely duplicated in identical terms in the three conventions on the same three risks applying to agricultural workers. In the case of old age insurance the Convention stipulates that

national laws may fix any age not exceeding 65 as the qualifying age; as regards invalidity, an insured person who becomes generally incapacitated for work and is thereby unable to earn an appreciable remuneration is entitled to an invalidity pension; in the case of widows' and orphans' insurance, the right to a pension is made conditional upon the dead person having completed a qualifying period of insurance payments. In respect of both invalidity and widows' and orphans' insurance, it is stipulated that the qualifying period shall not exceed sixty contribution months, 250 contribution weeks, or 1500 contribution days. In all cases the pension shall vary with the number or amount of the contributions credited to the account of the insured person or shall be a fixed sum determined independently of the time for which a person has been insured. All the conventions stipulate that the necessary funds shall be raised by contributions from insured persons and their employers and from public authorities.

Under the scheme contemplated by these conventions (1) insurance schemes shall be administered by institutions founded by public authorities and not conducted with a view to profit, and representatives of insured persons shall have a share in the management; (2) special tribunals for appeals in cases of disputes concerning benefits are to be set up; and (3) foreign employed persons shall be liable to compulsory insurance under

the same conditions as national employed persons. All the conventions have a second part which contains provisions regarding the working of non-contributory pension schemes in the absence of laws providing for compulsory insurance.

India lags much behind in respect of social insurance. We have pleaded for a system of compulsory social insurance in India on many occasions in these columns. The real prosperity and staying power of a nation may be measured through the extent to which the majority of the labouring population is insured against old age, invalidity and other disablements which are patent to the respective occupations. In India, some benefits have been extended to industrial workers through the Workmen's Compensation Act. But they too are very meagre. The incidence of sickness and disablement is much higher in India than in Europe due to climatic conditions. But provisions against it have been very few. The Whitley Commission recommended that in view of the chronic indebtedness of Indian workers due in a large measure to expenses involved by illness, all methods that may lead to the alleviation of existing hardships should be explored. There are, however, great difficulties in the way of working special insurance schemes on any large scale in India.

We should not minimize the difficulties involved here in the largeness of the numbers involved, the financial limitations of the

country, the administrative difficulties that have to be surmounted, and the absence of the necessary statistics as the more important of these handicaps. The difficulties are there, but, at the same time, they should constitute an incentive to the social conscience of the country being awakened to a whole-hearted participation in the endeavours that are being made by the I. L. O. to ensure wider acceptance for these systems of social insurance.

Bangiya Dhana-Vijnan Parishat

Bangiya Dhana-Vijnan Parishat (Bengali Institute of Economics) occupies to-day an important position in the field of Indian economic thought. Through the medium of the Bengali language the Institute has encouraged studies and researches in economic science in all its branches and investigations of the methods and policies of economic statesmanship in the different countries of the world. Being founded in 1928 by Professor Benoy Kumar Sarkar in collaboration with Dr. N. N. Law and Dr. S. C. Law, the Institute has infused among the public that current of economic thinking which is so vital for the material welfare of the people. Prof. Sarkar who is the *spiritus rector* of the Institute, is also its Director of Researches, and the country owes him a deep debt of gratitude for his efforts towards stimulating and popularising independent economic thinking and activities among the people.

The Institute also seeks to throw light on

India's contacts with the rest of the world and other aspects of economic internationalism. Attempts have already been made to place the Indian data in the perspective of world movements and appraise the developments of economic India by the world standard. Objective and statistical approach to economic realities as well as studies in world economy have constituted the two special features of this Institute's researches and publications. These features were discussed in detail by Professor Sarkar while travelling in Germany, Austria and Switzerland in "The Methodology

of Research in Economics" which guides the work of the research fellows of the Institute. The fields and methods of research followed by the Bengali Institute of Economics may to a certain extent be understood by going through several numbers of *Arthik Ummati* (Economic Progress), the monthly organ of the Institute. From the trend of activities of the Institute for the last five years it is certain that it will be a source of great influence and inspiration in the country in the very near future.



Thirty-five Years of Indian Economic Thought (1898-32)

By SHIB CHANDRA DUTTA, M.A., B.L., B

It is in the midst of these economic conditions, semi-medieval and half-modernized as they are, or rather to help the people out of them that Indian economic thought has arisen. India is a sub-continent, like China, of appalling poverty, low standard of living and dangerous diseases many of which have been found elsewhere to be controllable. For Indian thinkers economics is the science not so much of wealth as of poverty and of the methods of combating it.

Dadabhai Naoroji, Mahadeo Govind Ranade and Romesh Chandra Dutt may be taken to be pioneers of the most recent phase of Indian economic thinking. We are taking 1898, the year of the first publication of Ranade's *Essays in Indian Economics*, as the starting point of the present bibliographical survey covering as it does some thirty-five years. The output is not negligible in volume and indeed has of late been growing in extent and variety.

A considerable portion of economic thinking in India is of an economico-political character. To socio-economic questions a part of the thinking has addressed itself, while economic history has arrested the attention of a large number of scholars. In regard to economic history, again, it deserves to be mentioned that part of it has reference to modern periods, say, since 1750 while no insignificant portion deals with ancient and medieval India, based as it is on Sanskrit and Persian sources.

It is to be observed that in India as in

other countries a great deal of economic writings has been published in the dailies, weeklies and monthlies of a general character. *East and West* (Bombay), *The Modern Review* (Calcutta), the *Indian Review* (Madras), and the *Hindustan Review* (Allahabad) may be singled out as some of the monthly reviews such as have functioned to a certain extent as the organs of Indian economists. Contributions to these and other journals should therefore have to be listed in a proper history of modern Indian economic thought. It must not be ignored, further, that economic articles constitute a feature of monthly and other journals published in the different languages of India. Their influence on Indian opinion and character is very great. Economic journalism through the medium of the Indian languages has been exhibiting in recent years a tendency to grow in bulk. Some of the leading economists of today write in their own mother tongues—Bengali, Hindi, Gujrati, Urdu, etc., as well as in English.

Special economic journals both in the Indian languages and in English have likewise to be mentioned as the organs of thought. The Hindi monthly *Svartha* (Economic Interests) of Benares, the Bengali review *Arthik Uন্নati* (Economic Progress), *Bangiya Bank-Sangha Patrika* (Journal of the Bengal Bankers' Federation), *Bhandar* (Co-operative Store), *Byabasa O Banijya* (Trade and Industry), *Jivan-Bima* (Life Insurance), and *Krishak* (the Peasant) may be cited as exam-

ples. In English the *Mysore Economic Journal* (Mysore), *Industry and Commercial India*, both of Calcutta are some of the oldest of the period under survey. The *Journal of the Indian Economic Society* (Poona) ceased to appear during the war but the *Indian Journal of Economics* (Allahabad) came into existence. There is a *Social Service Quarterly* at Bombay. Co-operative journals of a semi-quarterly character are issued from the different provinces. Labour journals have become prominent during the last decade chiefly under the auspices of the Railway and Post Office employees. The Indian Chambers of Commerce have their own organs among which the *Journal of the Bengal National Chamber of Commerce* and the *Journal of the Indian Merchants' Chamber* (Bombay) seek to function as economic journals of an all-round character. Last but not least may be mentioned the journals, some half a dozen or more, devoted exclusively to the interests of insurance business, of which the *Insurance And Finance Review* is more an economic journal than an exclusively insurance magazine.

Publications in book form have of late been growing in number. But these are not to be considered to be the only or the chief formative forces in the shaping of Indian economic thought. The articles in the journals also are of substantial importance in this regard. A very large number of these articles can still be seen only in the pages of the journals in which they originally appeared.

The survey presented here is exhaustive neither in regard to authors nor in regard to topics. For historical purposes it is worth while to observe that the economic commissions of investigation instituted by the

Government have furnished occasions to a very great deal of literary output. But not all of this output is available in book-form. Pamphlets or articles in journals must always have to be taken cognisance of in every attempt at an adequate history of economic thought. It is, besides, a matter of common experience that in the case of those authors whose writings are published first as essays in reviews or as pamphlets and subsequently as chapters in books there is a great interval of time between the publications in two forms. It is the date of the first publication, however, that is of importance in an historic survey. The first consideration is of course the interest of chronology. Besides, a consideration of substantial significance in India lies in the fact that the publishing business in regard to books happens yet to be shy. It is, therefore, on the publication in essay or pamphlet form that the ideas and sentiments of the public as well as of the researchers are actually nurtured. This aspect of the question has not been overlooked in the statement that follows.

The period of thirty-five years for which a part of the bibliography is presented here may be divided into three well-marked sub-periods: (1) pre-war period (1898-1913), (2) war-period (1914-18) and (3) post-war period (1919-32).

It is possible to break the pre-war period into two natural halves at 1905, especially because it is about this time that Indian scholars began to be conscious about their shortcomings in the output of economic thought. On the Bengal side a chief inspiring force was the literary work of Satis Chandra Mukerjee, editor of *The Dawn* and founder of the Dawn Society (1903), which was a study circle on topics bearing

on economic welfare as well as public service.

Another inspiring figure of this period for Bengal in economic practice rather than in theory, however, was Ambika Charan Ukil (1866-1923), whose constructive enthusiasm for co-operation is responsible for the Indian Pioneers' Company Ltd., Calcutta (est. 1893), the first co-operative society in India of the Rochdale type, the Co-operative Union of India (est. 1895), the first of its kind enjoying, as it did, affiliation with the British Co-operative Union and the International Co-operative Alliance of Europe, as well as to a certain extent for the Triplicane Co-operative Urban Society Ltd. of Madras (est. 1904). He was, besides, the founder and first organizer of the Hindusthan Co-operative Insurance Society Ltd. (1907) and Co-operative Hindusthan Bank Ltd. (1908).

The Government Commissions of the first sub-period are enumerated below :

1898. Fowler Committee on Indian Currency Report.

1898-99. Indian Plague Commission : Report (1901)

1900. Report of the Royal Commission on the Administration of the Expenditure of India (which commenced investigation in 1895).

1901-03. Indian Irrigation Commission : Report. From 1898 to 1905 the output of Indian economic thought is being exhibited chronologically as follows :

1898. Ranade, M. G. *Essays in Indian Economics*.

1898. Ukil, A. C. *Economic Regeneration of India*—a pamphlet.

1898. *Samutthan* (Co-operative weekly in Bengali, editor, A. C. Ukil)

1898-1902. *The Dawn*, monthly (Editor, Satis Chandra Mukerjee)—economic articles.

1898. Mukerjee, S. C.—“Aspects of Economic Life in England and India” (*The Dawn*).

1899. “The Economic Situation in India and its Reaction on Indian Social organization.”—*The Dawn*.

1900. Dutt, R. C. —*Families and Land Assessment in India*.

1900. Mukerjee S. C. “The Indian Economic Problem” (*The Dawn*.)

1901-3. Dutt, R. C. —*Economic History of India*, Vol. 1. *Early British Rule* Vol. 2. *Victorian Age*.

1901. Mukerjee N. G. *Hand-book of Indian Agriculture*

1901. Naoroji, D. *Poverty and un-British Rule in India*.

1901. *Prabasi* (monthly in Bengali) “The Science of Sugar.”

1902. Chaudhuri, P. S. “A Scheme for the Institution and Maintenance of Village Grain Banks” (*The Dawn*).

1903. The Dawn Society, Calcutta, (Organizer, Satis Chandra Mukerjee).

1903. Iyer, G. S. — *Some Economic Aspects of British Rule in India*.

1903-05. Mukerjee, S. C. Articles on Economic India in *The Dawn* and the *Dawn Society's Magazine*, Calcutta.

1904. Bhatvadekar, B. K. — *Overcrowding in Bombay and the Problems of Housing*.

1904. Chatterjee, J. “Importance of Industry from a Social point of view” (*D. D. S. M.*)

1904. Dutt, R. C. — *Land Problem in India*.

1904. Ghosh, Rabindranarayan, — “The Indian System of training workmen for Manual Industries” (*D. D. S. M.*)

1905. Coomaraswamy, A. K. *Art and Swadeshi*.

1905. Chakladar, H. C. “Bengal Peasantry under European Indigo-Planters” (*D. D. S. M.*)

1905. Ghosh, Rabiudranarayan — “Cities and Towns of India” (*D. D. S. M.*)

1905. Mukerjee, S. C. — “Principles of the Swadeshi Movement. Its Influence on the Indigenous Cloth Industry” (*D. D. S. M.*)

1905. The Servants of India Society, Poona, Organizer G. K. Gokhale.

1905. Shamasastri, R. — “Chanakya's Land and Revenue Policy” (*Indian Antiquary*).

(To be continued)

Facilities for Insurance Education in India

By ANILENDRANATH ROY CHOU'DHURY, B.A.

Indian insurance is now half a century old. Not only the number of companies has increased very greatly but also their strength, stability and solidarity have been largely ensured. Yet, some people are inclined to think that the progress has not been as much as could be expected in such a vast sub-continent with a population of 350 millions or nearly one-fifth of the entire human race. Now we are at once face to face with the question why it was so. In the first place, there was a lamentable lack except very recently of a consistent and effective publicity campaign run in favour of Indian insurance by Indian companies. The utility of such publicity has now been considerably realised and the public look upon this great national institution with confidence and sympathy. The indigenous companies have realised that a systematic advertisement campaign has been much responsible for relieving them from the throes of unfair competition offered by some alien sources. It is no use discussing here how these forces have degenerated the mentality of our countrymen and set their minds against indigenous enterprises by skilful propaganda. On the other hand, we cannot possibly lay the entire blame at the door of these alien forces. The realisation of the benefits of insurance as well as the need for supporting the indigenous companies was rather late. The factor which most delayed the consciousness of our countrymen in regard to insurance and the progress of the business is the fact that the

whole administration of the business was left in the hands of untrained, not to say unqualified, persons. Those outstanding personalities who established the foundation of Indian insurance and popularised it were merely prodigies, and their pioneering work had nothing to do with technical education or technical training. It cannot be denied that there was a great need for that even in the earlier stages. If that training were forthcoming in the preliminary stages of the development of Indian insurance, I have every reason to think that the progress would have been much more marked and rapid.

Much has been done in the direction of propaganda and publicity. The huge amounts of business which the Indian companies write annually now-a-days is but a manifestation of the results of such work on behalf of the companies. But unfortunately very little has been done in the direction of organising large scale institutions over the country for imparting insurance education to the workers.

Until recently, the agency business of insurance companies was regarded by the people as a hopeless job which befitted only those who had no other alternative in the world to adopt. Happily for the country, the time is past when insurance people were held in such ignominy. It is a happy sign, too, that with the rapid growth and development of insurance in India, hundreds of our educated young men are accepting insurance as their profession in life. Incidentally,

among the more ambitious section of insurance workers, there has been of late a persistently increasing demand for undergoing a course of scientific study in insurance and for specialising in it.

The Indian insurance companies are run with Indian capital and still now are either under the management of imported experts on large salaries or of Indian prodigies or amateurs. Besides this, numerous branches and agencies of non-Indian companies which are controlled both by Indian and European business houses are badly in need of scientifically trained insurance experts to hold important offices. But the number of such men are hopelessly small. The news must be hailed with cheers by all who are interested in insurance, that the Insurance Education Society of Calcutta proposes to start a college by the name of Indian College of Insurance, with a view to imparting scientific training in insurance and that the regular classes of the said College are expected to be started from the next session.

In this direction our thanks are also due to Mr. Davar, Principal, Davar's College of Commerce, Bombay. It would be no exaggeration to say that he is the pioneer of insurance education in India and started regular insurance classes in his college for qualifying for the Diploma of the Chartered Insurance Institute of London many years ago. But the most important thing to be noted in connection with this Diploma is that whereas this theoretical specialisation plus practical office-experience places a Diploma-holder on a very sound footing, minus the latter the former has no very great value. In this respect, the Indian Insurance Offices should whole-heartedly and

ungrudgingly co-operate with Mr. Davar and with the Insurance Education Society of Calcutta in order to bring forth a regular array of scientifically trained and competent young men with full practical office experience who would be able in future to take up the destiny of Indian Insurance in their own hands.

To help intending insurance students, I think, I should give them some information regarding the course of study at least in the Life Branch wherein the necessity seems to be most pressing for experts in India. According to the regulations of the C. I. I. (Lond.), Matriculation or the preliminary examination of the Institute comprising the subjects similar to those forming the usual Entrance examination has to be passed. The preliminary examination which is necessary only in the case of non-matrices, is made up of (i) English Grammar and Composition, (ii) English History, (iii) Geography, (iv) Mathematics, and, (v) Book-keeping. Non-qualified persons of 25 years of age or over may at the discretion of the council of the C. I. I. be exempted from the preliminary examination or asked to submit to a modified preliminary test on production of satisfactory educational qualifications. The student next takes up the Associate's Examination, which is held in the beginning of March each year. The Associate's examination is divided into two parts.

Syllabus for Life Branch is as follows :

PART I

(a) Principles and Practice of Life Insurance (Elementary).

(b) Mathematics leading up to Compound Interest.

(c) (1) Elementary Human Physiology, (2) Well-known diseases and their effects on longevity; common medical terms.

(d) Climatic and occupational risks as affecting Life Assurance.

(e) (1) Different types of Assurance, annuities and proposals. (2) Forms of Policy Drafting, Conditions, Endorsements.

(f) Office organisation and Routine, including secretarial matters.

PART II

(a) Life Assurance Practice in connection with the collection of Premiums, Revivals, Loans, Surrenders, Claims, Annuity Payments, Correspondence, etc.

(b) Compound Interest, Tables of mortality, their uses and methods of construction.

(c) Law affecting Life Assurance Practice including Law of Agency.

(d) Life Office Valuation, sources of Profit and methods of Distributions: Valuation Schedules (4th and 5th) of Assurance Companies Act, 1909.

(e) Life Office Accounts including

Expense Ratios, Returns, and Statutory Deposits.

(f) (1) Advertising, (2) The Prospectus, its general construction and its uses.

A candidate must pass *all* the subjects or, alternately, Honours in three subjects and Passes in two, one of the five subjects being subject (a) in each part.

A candidate who has not passed all the subjects in the first part may not be allowed to sit for the second part. If a candidate fail, say, in one subject of Part I, he is to pass in that subject next year and sit for the second Part year after next.

The percentage of pass mark in each subject is 60 and that in Honours 80. The examinations are held in all the important towns of India.

May I suggest that the Insurance Education Society will organise itself on the lines of the Indian Institute of Bankers and try to meet the requirements of Indian offices in the first instance? Although the idea of starting a college holding regular classes is brilliant, yet in the initial stages it would, I think, be better to arrange for lectures periodically to be delivered by qualified persons.



The Tonic of Machinery*

By PROF. BENOY KUMAR SARKAR

INDUSTRIALIZATION OF MOFUSSIL.

The most spiritual force in the economic and social life of the Bengali people in our mofussil to-day is to be found not in *bhakti-yoga* or *juana-yoga* but in *gantra-yoga*, the devotion to machineries, tools and implements. The glorious *swadeshi* movement of 1905 has meant for our men and women the *digvijaya* or world-conquest of industrializa-



Professor Benoy Kumar Sarkar

tion, and the penetration of technical apparatuses and engineering goods in the subdivisions and rural centres. The Bengali *chashi* is to-day a person with a torch. The

hurricane lantern is replacing the *kupi* even in the remotest villages. The young man on the cycle, the driver of motor lorry, the *mistri* and the engineer Babu of the mechanical repair works, the inventor of machines, these are the types that characterize the new society of Bengal. The Bengali cotton mill directors have become experts in the language of tools and implements. Chemical technology is furnishing inspiration to the projectors of sugar mills. Electrification of district head-quarters tends likewise to be an important ingredient in the intellectual and social life of our people.

PROGRESS OF TOWNS.

Industrialization has been an aid to urbanization also. Coal and iron industry has given birth to four or five towns in West Bengal, the shipping industry to four important centres in East Bengal. Jute alone is responsible for the industrialization of some half a dozen centres in Pabna, Faridpur, Mymensingh and Dacca and some twenty on the banks of the Ganges near about Calcutta.

Ten years ago there was provision for filtered water supply in 31 towns. To-day such towns are 43 in number.

About the time of the *swadeshi* movement for every 1000 persons living in villages the number of town dwellers was only 65. To-day the number has risen to 79. The growth of towns has led to the progress of

* Being the summary of a lecture delivered in Bengali by Prof. Sarkar at the Prabartak Sangha, Chandernagore, on the 6th May, 1933.—Editor.

our people in democratic movements and combined activities of diverse kinds.

ENGINEERS, THE HEROES.

The men who have been chiefly instrumental in the fostering of this social transformation of the Bengali people are the engineers. And the spirituality which is operating in and through this transformation is the sprituality of the machine. The blood of Young Bengal has been rejuvenated by the tonic of machinery.

During the decade from 1898 to 1907 the number of engineers, mostly civil, who passed out of the college at Shibpur was as low as 103. But during the last ten years the number has been 412. In 1905 when the *swadeshi* movement was started the National College of Engineering at Jadabpur did not exist. But during last twenty-five years Bengal has been furnished by this institution with several hundred mechanical, electrical and chemical engineers. It is engineers that are the heroes of our new Bengal.

AIDS TO SWADESHI IMPORTED.

Some of the aids to industrialization such as have been in force in India may here be singled out.

In 1930 the total amount of iron ore raised in India was 558,005 tons. To-day it is 2,498,555 tons.

Of all the goods imported by India from foreign countries about twenty years ago

nearly one-fourth consisted of metals, machineries, hardware, instruments, railway stock, etc., i.e., those articles which help forward the industrialization of the country. To-day the proportion has risen to nearly one-third. Among the stores imported by the Government also nearly two-thirds belong to this class of goods.

It is on the strength of these imports from foreign countries that our *swadeshi* movement has been built up. And in the interest of the *swadeshi* movement we want for some long time more of this tonic of machinery to be imported from abroad.

JAPAN AS IDEAL.

More than half of the world's machineries are consumed in the U. S. A. Nearly 20 per cent is consumed in Great Britain and Germany in equal proportion. In Russia the proportion is 2.5 per cent. Less than 2 per cent is consumed in Italy, about 1.5 per cent in Japan and 1 per cent in India. If America spends Rs. 100 per head of population on machineries, Great Britain 43, Germany 36, Italy 10, Japan Rs. 5-8, Russia Rs. 4-4-0, and India nearly twelve annas.

There is great scope for an increase in the Indian consumption of machineries. It is impossible for us to rise to the American, nay, to the British-German standard. The highest ideal in the line of industrialism for Young Bengal can be and ought to be Japan.

Preliminaries to the Study of Insurance●

By DR. S. C. ROY

I am obliged to the editor of the *India To-morrow* for the information that my article on "How Insurance is Solving Unemployment Problem" has been widely read and much appreciated by the student community of Bengal. I have myself received a few enquiries on the subject and am glad that the article has been able to create some interest among the student community for whom it was primarily written.

To-day I propose to say a few words on "How to Enter the Field of Life Insurance" as I have received several enquiries on this subject from some students who have read my previous article. I hope this may be as much useful to the student community as the previous article.

As I have said before insurance is progressing very rapidly in India and during the last twenty years it has increased by about six or seven times. Not only the number of companies is increasing but the number of policies, amount of premium income, amount of life fund, etc., are also correspondingly increasing. It is now employing thousands of highly educated youngmen and there is every prospect of many thousands of new workers entering this field. It is important for the prospective workers to have an idea how to enter the field. A clear idea of this subject will surely help our future workers to avoid unnecessary waste of time, energy and

money. It is of course a pity that there is no organisation in the country where a student can get proper training at least a preliminary training on the subject. As in the cases of our graduates and undergraduates who study in a certain line without any fixed aim, a section of the student community is trying to enter this field of insurance without any definite aim or plan. There are thousands of students in our country who go to colleges to study but do not know what they will do in the end and how do they propose to utilise the knowledge that they intended to gain. If any money value could be put on the amount of energy and labour that are uselessly spent by our students I am sure the figure will reach ten digits. My object in saying this is that those young men who want to make insurance their career in life should do well to think on this subject carefully beforehand so that unnecessary waste may be eliminated.

Before discussing this subject I should like to divide insurance practice into several departments as follows :

- (a) Administration.
- (b) Office Organisation.
- (c) Actuarial Supervision, and
- (d) Field Organisation.

or, in other words, the Managerial, Secretarial, Actuarial and Organisational departments of a company.

It is perhaps a common experience with insurance office managers to receive applications from brilliant young men who are

* Reprinted from *The Indian Insurance Journal* for April, 1933.—Editor.

anxious to join the line and who do not know how to form their own ideas. They require a little guidance at this stage and if proper advice be given they will surely be very successful workers. It is necessary at this stage to judge the merit of a candidate and advise him accordingly. A man may be a very good organiser but he may ruin his career by trying to be an office manager. A man eminently suited to be an office manager may be an absolute failure as an organiser and so on. The different sections we have just chalked out require different types of qualifications and it should be very carefully studied before any advice is given about what department a particular candidate is fittest for.

In my experience I have found many a young man arguing that they could do well in any line, if proper facilities were given. I do not deny that there are a few brilliant candidates of that nature in every profession but they are really very rare, and ordinarily a man suitable for one job is unsuitable for another.

There is another important factor to be taken into account. The optimism of a young man is all very well and they may naturally feel that they can do any work that may be given to them but the experienced insurance manager need not be carried away by the enthusiasm and optimism of the young men. They require sound advice and proper guidance and it is just fair to say that the insurance manager takes a very great responsibility in offering advice to a really sincere young worker.

However, after selecting the line in which a particular worker may be most useful he should take up the details of the study of each subject. It is of course

understood that in studying the subject of insurance, certain preliminary subjects are to be studied.

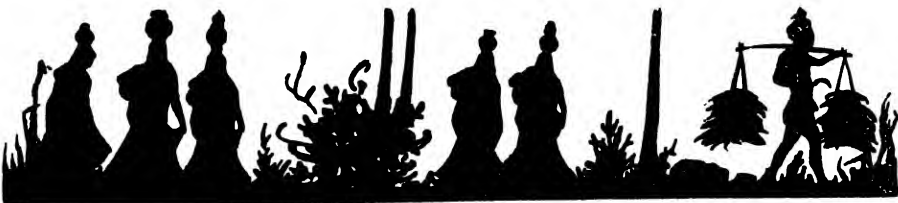
Several candidates recently came to our office seeking my advice regarding A. C. I. I. examination, and asked me if the diploma would give them better chances in life offices. As I have just said particular knowledge of any line may be very useful to one man but absolutely useless to another man. If a man wants to be a really successful fieldman, it is perhaps not necessary to waste his time in studying for or passing A. C. I. I. examination. The knowledge that may be secured as a result of passing A. C. I. I. examination may not be very useful as a fieldman in insurance and I personally do not think that passing any examination is essential for being a successful fieldman. I should not be misunderstood. Knowledge is always good and never superfluous. What I mean is this that the passing of an examination like A. C. I. I. means sufficient expenditure of money, energy and time, which is not essential if the candidate is going to work in the field. It will be useful if he decides to enter the secretarial or actuarial line and for these reasons it is desirable to decide in which particular line a young man desires to work instead of aimlessly pursuing a course of study or training.

There is another aspect of this question and I think it is well to take this opportunity to utter a word of warning. Insurance business is attracting many young men in its fold, but our young men generally are unwilling to approach the subject 'through the proper channel' i.e. they generally do not like the idea of beginning from the lowest ladder and gradually going up. Our colleagues in

the insurance offices will surely agree with me that there are very few *agents* available now-a-days—all are anxious to be managing agents or at least chief or special agents. We do not now get men who are willing to work and stand a chance on merit alone. The expectation is that because a young man has perhaps passed his B.A. or M.A. he need not learn anything further to be a successful insurance man. I want to say definitely that every profession has its technical side. A profession like insurance particularly requires a good deal of technical knowledge and if any worker aspires to be successful, he must acquire the necessary knowledge of the subject. His brilliant career in other lines may not help him much—excepting that he can expect to pick up the line comparatively easily. I want to say this to my young friends anxious to join the field of insurance is that there is no golden way to be successful and each one must pass through some stages, where hard and honest labour will only count. I personally do not believe in shortcuts in anybody's career—each one must 'pass through the wheel' and begin from the lowest ladder to gradually go up.

When a candidate has actually decided the line he wants to pursue, he should be guided to study the preliminary subject which is essential for starting the work. A common idea about the principles of different types of insurance, together with a little detailed study about the comparative chart and tables of different companies and particular study about the company which he is going to represent, will be perhaps a good preliminary background for the work. In studying the history and development of the company which he is going to represent, particular care should be taken to note all the salient and attractive canvassing points of the company, its premium rates, its policy conditions, its achievements, etc. As soon as a candidate is well equipped with this preliminary knowledge he is fit to take up the work of the particular branch for which he has already made up his mind.

I am sure the above lines will be useful to those young men who want to enter this profession, if the suggestions are followed in the spirit in which they are offered.



Savings Banks Jubilee

*Review of Deposits for 50 years.
1882-83 to 1932-33*

By S. K. BANERJEE

(Continued from the previous issue)

The following table shows the savings as effected by several classes of earning members of Indian societies but these tables having also been discontinued for some years the present position can not be ascertained of different classes of depositors in Indian provinces; compared with earlier figures they show a rising tendency amongst the people to deposit money in the Postal Savings Banks.

No. of Classified Depositors, 1910-11 & 1911-12.

Class	Bengal	Bombay	Burma	Centre Circle	E. B. & Assam	Madras	Punjab & N. W. F.	C. P.	All-India 1911-12	Total 1910-11
I Professional										
(a) Fixed	91,416	75,802	12,416	22,411	36,138	60,976	11,605	12,981	3,81,111	3,63,813
(b) Variable	20,600	16,035	2,950	3,844	15,366	15,962	13,198	12,988	1,00,913	95,958
II Domestic	35,290	38,885	21,975	11,751	19,934	26,520	13,592	16,753	2,52,330	2,41,101
III Commercial.	11,818	14,165	2,444	1,808	4,750	12,604	5,930	6,356	62,875	59,735
IV Agri.	7,722	1,728	580	551	3,230	9,735	2,662	5,151	31,362	32,395
V Industrial	8,848	11,566	3,476	2,616	4,510	10,482	6,743	1,923	58,200	51,061
VI Indefinite	1,45,833	1,43,811	19,258	29,402	79,946	75,416	51,411	59,894	6,08,001	5,83,385
Total ...	3,21,527	3,08,022	67,759	75,416	1,64,210	2,11,701	1,70,141	1,79,052	1,800,831	1,130,451
Average per creditor .	107.34	168.43	82.79	111.53	135.72	67.05	141.85	138.83	125.92	118.2

No. and Average of Depositors

The average deposit per depositor was Rs. 155.35 in 1890-91 against Rs. 163.83 in 1889-90; the total number of depositors was 1,08,544, of which 20,131 persons belonged to the civil and Regimental police and 3,88,413 were private persons.

The following statement of accounts of Postal Savings Bank deposits, etc., will be of interesting study and they have been taken at ten years' difference to facilitate study of poorer peoples' financial stamina at the end of each quinquennium.

All-India Account from 1882-83 to 1900-1

Description	1882-83 Rs.	1890-91 Rs.	1895-96 Rs.	1900-1 Rs.
Opening Balance	27,96,796*	5,86,96,755	8,40,17,923	9,64,64,466
Deposits	13,50,000	3,47,55,976	4,74,62,417	4,82,47,773
Interest	50,000	21,84,345	25,53,880	29,00,476
Total	14,00,000	9,56,37,076	13,40,34,220	14,76,12,715
Withdrawals	16,00,000	3,21,69,668	4,36,11,148	4,71,80,146
Balance	28,00,000	6,34,67,408	9,04,23,072	10,04,32,569
Average per creditor	92.07	155.35	138.28	122.9*

* Closing balance on March 31, 1883.

*Statement Showing Annual Deposits, Withdrawals and
Average Savings per Depositor*

Province	1890-91	1900-1	1920-21	1929-30	1930-31
BENGAL			Beng. & Assam	Do	
Deposit	56,26,625	83,25,071	4,07,50,240	7,02,98,136	6,21,14,510
Withdrawal	50,75,462	76,66,312	3,59,81,709	6,97,33,260	6,79,02,100
Balance	5,51,163	6,58,759	47,68,531	1,05,65,176	-57,87,590
Average per Depositor	118.07	113.35	99.79	151.20	116.13
E. BENGAL					
Deposit	12,47,868	23,42,441			
Withdrawal	11,93,721	21,43,736			
Balance	54,147	1,98,705			
Average per Depositor	138.75	118.41			
BIHAR					
Deposit	15,34,162	29,59,125	97,14,507	1,85,12,171	1,75,31,638
Withdrawal	13,51,139	19,84,681	81,63,296	1,77,18,788	1,79,77,136
Balance	1,83,023	9,74,444	15,51,211	7,93,383	-4,46,498
Average per Depositor	113.18	122.53	101.66	171.11	160.88
ASSAM			Combined with Bengal.		
Deposit	7,70,901	9,11,156			
Withdrawal	7,26,131	9,29,543			
Balance	44,770	-18,383			
Average per Depositor	151.24	132.88			
BOMBAY					
Deposit	76,68,817	87,15,825	3,83,00,492	1,02,07,972	3,37,47,585
Withdrawal	67,16,307	96,13,175	3,91,68,736	3,68,97,924	3,97,47,790
Balance	9,52,510	8,97,350	-11,68,244	-33,10,015	-60,00,205
Average per Depositor	219.02	169.92	129.31	191.21	169.77
PUNJAB					
Deposit		69,80,771	P & N.W.F.	5,56,76,612	5,09,22,815
Withdrawal	---	61,23,130	5,21,52,715	5,11,96,782	5,50,27,175
Balance		5,57,341	5,22,00,112	-42,03,859	18,95,640
Average per Depositor		115.85	107.393		
N. W. P. & OUDH			185.87	199.79	188.75
Deposit		60,35,717			
Withdrawal		58,21,351	- Circle abolished -		
Balance	---	2,14,366			
Average per Depositor					
MADRAS					
Deposit		51,33,631	1,71,97,988	3,21,73,092	3,05,17,599
Withdrawal		52,98,150	1,65,51,221	3,15,61,758	3,12,17,099
Balance		1,35,181	6,46,767	9,08,334	-7,29,500
Average per Depositor	---				
BURMA		61.01	67.59	75.23	67.33
Deposit		28,40,863	79,09,585	1,02,11,636	1,05,65,137
Withdrawal		27,67,994	76,65,261	91,00,280	1,01,01,139
Balance		82,914	2,44,324	8,11,356	4,64,298
Average per Depositor	---				
INDIA		93.41	104.03	150.15	141.74
Deposit	3,47,55,976	70,25,544	21,65,35,614	29,58,67,137	27,82,28,928
Withdrawal	3,21,69,668	4,76,68,127	20,76,18,295	27,97,26,878	28,96,78,709
Balance	25,86,308	2,67,627	89,17,319	1,61,40,259	-1,14,49,781
Average per Depositor					
	155.35	122.77	121.73	161.10	149.44

Not opened

A detailed analysis of Bengal figures will be of great help to study the conditions, the saving capacity and *per capita* average deposits of depositors in each province, from time to time.

The following table shows the sums deposited in a year and those withdrawn, wherefrom we find the actual savings made by depositors at the end of each year: the savings of All-India in 1890-91 was 13·1 p. c. while in Bengal the savings amount to about 12 p. c. only of the year's deposits.

Study of these figures are interesting—they show their endeavour of the people to save and the final results of the endeavour. During the year 1890-91 the total deposits under Bengal were Rs. 56,26,625 but the withdrawals were Rs. 50,75,162 leaving a balance of only Rs. 5,51,163 at the end of the year. The total All-India deposits were Rs. 3,47,55,976 and the withdrawals were Rs. 3,21,69,668 leaving a balance of Rs. 25,86,308; in 1920-21 while the deposits amounted to Rs. 4,07,50,240, the withdrawals were Rs. 3,59,84,709 leaving a residue of Rs. 47,65,531. There were years when the withdrawals exceeded the deposits during the year, the excess being drawn from previous years' savings. This happened in the year 1930-31 in Bengal, which therefore must be taken as the leanest year for the poorer middle classes, industrialists and agriculturists.

Another interesting set of figures of savings per depositor during the year 1930-31 work out for Postal each Circles

Bengal & Assam	Rs. 146·13
Bombay	„ 169·77
Madras	„ 67·33
Punjab	„ 188·76
Burma	„ 144·74

Bihar	Rs. 160·88
United Province	„ 169·09
Central India	„ 162·86
Sindh and Baluchistan	„ 185·05
India average	„ 149·44

According to averages, worked out above, The Punjab depositors stand first, while Sindh and Baluchistan occupy second position, though these provinces are considered much poorer than Bengal, Bombay or Madras. Perhaps the best explanations are that many of these men belong to the Army and in those provinces large Indian armies are maintained which may explain the reason for this high average, as the military men find it more convenient to keep their salaries and savings with the Postal Savings Banks than with themselves or with the *shroombars*. Madras is the poorest at Rs. 67·33 per head; which can be explained for two reasons, first, the general poverty and backwardness of the lower poorer class and second, the extensive Chetty system, so popular in that province. Bombay is always ahead of Bengal: in 1900-1 Bombay's average was Rs. 169·92 while Bengal's was Rs. 113·5 and Madras Rs. 61·04; in 1911-12 Bengal went down further at Rs. 107·34 when Bombay's average was Rs. 168·43 and Madras Rs. 67·05; in 1900-1 Punjab's average was Rs. 145·85, in 1911-12 it was at Rs. 144·85:

The figures of savings at the credit of depositors were highest on March 31, 1914 were Rs. 23,16,75,- but they fell to Rs. 15,32,12,517 in 1915-16 and again rose to Rs. 22,86,21,716 in 1920-21. In 1915-16 the average per creditor was Rs. 92·27, which was due to heavy withdrawals on account of the War.

Since the savings banks were first opened by the Postal department in the year 1882

the balance at the end of the year 1882-83 stood at Rs. 27,96,796 and the number of depositors was 11,15,758 ; the average sum at the credit of each depositor was Rs. 92'07 ; divided according to Postal circles Bengal deposited Rs. 11,47,476 but withdrew Rs. 4,12,491 ; the interest accrued to the depositors amounted to Rs. 13,402 at the rate of 3 per cent ; Eastern Bengal deposits amounted to Rs. 2,32,583, withdrawals Rs. 2,35,179 and interest accrued Rs. 2,595 ; Behar deposited Rs. 3,07,101, withdrawals Rs. 97,026, interest accrued Rs. 3,582 ; while Assam's deposits were Rs. 1,14,027, withdrawals Rs. 63,179 and interest Rs. 1,439. Thus after a year's transactions the depositors of Bengal had saved Rs. 7,48,386, Eastern Bengal Rs. 1,49,519, Behar Rs. 2,13,656 and Assam Rs. 82,288. Bombay had no postal savings banks in 1882-83 ; they were opened for the first time on May 1, 1883, and the first year's working showed depositor Rs. 20,20,161 ; withdrawals Rs. 7,03,724, interest Rs. 28,967, net savings Rs. 13,45,388 or Rs. 120'44 per depositor while Bengal's balance at the end of 1883-84 was Rs. 16,66,454 and the average saving of each depositor was Rs. 96'95 ; Eastern Bengal's balance was 2,76,416 and the average per depositor worked out at Rs. 122'03 ; Behar's balance was Rs. 3,60,525, average Rs. 116'71, while Assam's balance was Rs. 1,75,687, and average Rs. 111'90 per depositor. The All-India balance, in 1883-84 was Rs. 75,11,454. Classified by races, Indians and Anglo-Indians, there were Indians 35,623, and Europeans and Anglo-Indians 3,498 ; of these 2,970 had fixed sources of income, 397 had variable sources ; 805 were commercial ; 237 agriculturists, 90 industrialists, and 2, 249 of indefinite means.

From July 1905, the Postal authorities introduced a fixed deposit system and the depositors were allowed to deposit their savings with the option of withdrawing at six months' notice or on call : the interest allowed for the former was $3\frac{1}{4}$ p.c. while the latter carried only 3 p.c. but this system was subsequently dropped after a few years' working.

Prior to the war the savings banks working was growing in rapid pace and a comparative statement will convince how it was growing :

	1910-11	1913-14
Opening balance	15,86,71,786	20,61,14,503
Deposits	8,20,70,180*	13,17,94,110†
Interests	46,22,858	61,90,960
Total	24,53,65,154	34,40,99,573
Withdrawals	7,61,77,230	11,24,24,106
	16,91,88,224	26,16,75,467
average balance of each depositor	118'28	141'38

The figures for the year 1913-14 are the highest balance at the credit of depositors on March 31, 1915. With the outbreak of war there were heavy withdrawals but since 1915-16 there has again been a steady recovery.

The balance on March 31, 1921 for whole of India was Rs. 22,86,21,716 and the average savings per depositor was Rs. 121'73. In the same year Bengal and Assam had a balance of Rs. 5,27,34,018 while the average per depositor was calculated at Rs. 99'79. Behar and Orissa had a

* These include Rs. 2,16,50,135 being balance of accounts transferred from one Post Office to another.

† These include Rs. 2,19,48,117 being balance of accounts transferred from one Post Office to another.

balance of Rs. 1,26,42,858 and the average was Rs. 101.66.

In the year 1914-15, 1915-16, and 1930-31 the withdrawals were more than the sums deposited during those years which showed that during these years the depositors had to draw on their "reserves" *i. e.*, savings of previous years, while in the All-India account of the years 1914-15 and 1915-16 withdrawals were heavier than deposits. The Punjab was similarly badly off during 1920-21, while for Bombay the years 1895-96 1900-1, 1915-16, 1920-21, 1925-26 and 1930-31, were all lean years *i. e.*, withdrawals exceeding the deposits during those years: the best year for Bombay was 1895-96 when its average per depositor stood at Rs. 186.51, and the next two prosperous years were 1900-1 and 1930-31, when the averages were Rs. 169.92 and Rs. 169.77 respectively. The Punjab keeps the best average at between Rs. 157 to Rs. 185; Central India's average is as good as that of the Punjab, while Madras is last in the list, her highest average being Rs. 75.72 in the year 1895-96, the lowest in 1915-16 at Rs. 48.13. The low figures in 1915-16 and during the earlier period were more due to panicky withdrawals than for economic distress.

In 1930-31 the balance of all-India was Rs. 37,02,59,874; Bengal and Assam Rs. 8,99,83,627; Behar and Orissa Rs. 2,55,71,069 while those of Bombay Rs. 5,66,65,592; The Punjab, Rs. 4,28,80,660, and Madras Rs. 1,66,82,421, United Provinces, Rs. 3,97,06,167, Burma Rs. 89,16,379 and Central Provinces Rs. 1,34,84,943. Both Bengal and Behar attained highest averages per depositor in 1930 being Rs. 146.13 and Rs. 160.88 respectively.

From the annual deposits major portion

is withdrawn leaving a very small residue, which shows that though the depositors start the account with the idea of saving but owing to unforeseen circumstances, economic distress, domestic occurrences they are forced to withdraw most part of the deposits and the present huge balance is created by the accumulation of residues and not of all the deposits. More than 80 p. c. of the deposits are generally withdrawn every year, and sometimes, they go higher up to 90 p. c. and on occasions, except during the year 1915-16, the withdrawals in particular provinces had exceeded the deposits, though the results are not reflected in all-India accounts. The savings bank accounts are the best indices of economic conditions of each province. In matter of savings Bombay and Bengal go hand in hand, but if the accounts of Bengal of old, (before the partition of 1906) are judged then its transactions and balances would exceed those of Bombay.

The gradual growth of savings bank balance brings out one fact forcibly that the peoples' trust in Government custody is growing every day and the mistrust of each other is also increasing in that proportion. It is unbelievable that savings bank has taught thriftiness—the people of the country always used to live a simple unostentatious life and the items of necessity and luxury were fewer, therefore their savings used to be much more and those savings used to be funded with local *mahajans* and respectable shop-keepers; such deposits used to help the traders and *mahajans* and in return credits used to be given to neighbours without difficulty: the currency policy of the Government upset the balance of silver and gold hoarding in the nineties and people began to transfer their love from

SAVINGS BANKS JUBILEE

bullion to coins ; these coins gradually began to make their way to markets for purchase of imported luxuries as necessities and the balance used to be funded in the savings banks : by this process the credit of the local shopkeepers and *mahajans* began to diminish and the strength of foreign and British banks began to grow.

During 1893 the work of the mints having been closed there was a rush for sale of silver by the agriculturists and the poorer classes, and this was marked by a phenomenal rush for the savings bank deposits ; in 1895-96 the balance stood at Rs. 9,04,23,072 against Rs. 6,34,74,108 at the end of 1890-91, whereas the balance at the end of 1900-1 was Rs. 10,04,32,569. The rise and fall in the prices of silver and gold had its marked effects on savings bank deposits. To study the economic condition of the poorer and the middle classes the savings bank accounts are of great help.

How the savings bank helps the country

in its industrial or agricultural development may be studied. So far as our knowledge and informations go we find that all the money of Government are deposited with the Imperial Bank, which does all the banking work of Government ; we find that large transactions of crores of rupees go through the Savings banks and a balance to the extent of Rs. 40 crores is now lying with them, and will be growing every year as time rolls on ; of this about Rs. 10 crores are now standing to the credit of Bengal. How this money is utilised to earn interest payable to the depositors ? How much does Government earn out of it ? Is the interest paid out of General Revenues ?

These questions if studied will open the eyes of our countrymen and will make them think seriously in what better way can that money be utilised for the agricultural and industrial development of the starving millions to whom Rs. 40 crores is not too small a help.



A Sidelight on the Recent Loan Operations of the Government of India.

EUROPEAN INSURANCE INTELLIGENCE

(From Our Berlin Correspondent)

BERLIN, APRIL 10, 1933.

The German Air Pool.

When in the year 1918 the world war was over and only a limited number of aeroplanes had been left to Germany as a consequence of the Treaty of Versailles, every flight was a considerable risk for the possessor, at least from the material point of view. Nevertheless, the tenacious will of regaining the ground lost through the war was leading to the restarting of air-traffic, to new constructions being in conformity with the prescriptions of the Treaty of Versailles.

Just this time of the revival of German Aviation is the natal hour for German Aviation insurance. Immediately on the re-beginning of German Aviation there was felt a strong need for insurance all the more as aviation was, economically speaking, in a depressed state, whereas the risk therewith connected was a heavy one both from the material and personal viewpoint. However, German insurance, quite aware of its economic mission, did not hesitate to enter this new field, being so far unknown, of Aviation insurance. The only thing German aviation insurance knew was that for years to come there would be no profit in this new field of insurance.

In 1919 several companies were uniting to the so-called "Air Concern" for operating together Aviation insurance. Nothing there was they could base upon, no statistics, no

experience from which some profit could have been taken. Practice alone would show the correctness or errors in the policy followed by the Air Concern which also accounts for the continuous change, in the beginning, in premiums and conditions. The Air Concern of 1919 which can be considered as the forerunner of the actual German Air Pool was based upon the principles of the uniform dispersal of the aviation risks taken over. In most cases the concern had to bear the risk in full for its own account seeing that at that time re-insurance was not at all possible or under most difficult conditions only.

In the interest of the Aviation insurance business the development of which could only have suffered by outsiders, it was then decided on the general meeting at Baden-Baden of the Deutscher Transport-Versicherungs-Verband (German Transport Underwriters' Union), in 1929, that all companies belonging to the Union no matter whether they were belonging to the Air Pool or not, had to bring in their aviation risks into the aviation concern.

In 1924 there was founded by the above Union the "Air Pool of 1924" with two classes of insurance, *i. e.*, Class A, Casco insurance and Class B, Air Transport insurance which classes were later on completed by Class C, Air Accident and Class D, Air Liability insurance.

On the 9th November 1927 the "Air Pool of 1924" was constituting itself afresh under the name being still in force now of "German Air Pool."

Regarding the organisation of the German Air Pool it may still be mentioned that for reasons of suitability the Class B "cargo interest" has been suspended since 1st January 1931, until further notice, the transports by air being insured since that date by the transport underwriters direct. Thus there practically exists at present the following 3 classes only : (a) Casco, (b) Accident, (c) Liability.

The German Air Pool is now comprehending 29 companies ; it has excellent extensive relations to all foreign Air Pool and especially to English Aviation Underwriters.

Basing on these extensive international relations the German Air Pool is now in a position to take over most difficult risks. The millions lost in the past years could not paralyze the development of the German Pool ; this loss had to be borne and was borne in the hope that the day would come when all troubles and efforts would be compensated by a small profit which happened indeed in the year 1931. For 1932 German aviation insurance will have to reckon, however, with a loss which, it is to be hoped, will be followed by better times.

Motor Insurance -A Comparative Study of World Business

The following statistical data which are based upon official statements of the years 1931-32 are giving an approximate idea of the vast field not only of Motor Insurance but also of the Motor Industry and may serve as a useful hint for Motor insurance underwriters as well as the latter industry.

Total Number of Motor Cars in some of the principal Countries of the World :

	Motor Cars in thousands :	1 Motor Car per number of inhabitants :
(1) United States of America	25,986	4.8
(2) New Zealand	191	8
(3) Canada	1,187	9
(4) Australia	523	12
(5) France	1,689	25
(6) Great Britain	1,532	30
(7) Denmark	120	30
(8) Argentine	331	35
(9) Sweden	119	41
(10) Belgium	175	46
(11) Switzerland	82	50
(12) South African Union	156	51
(13) Norway	50	56
(14) Irish Free-Stat	46	64
(15) Netherlands	124	64
(16) Germany	650	100
(17) Finland	33	110
(18) Spain	175	131
(19) Italy	291	110
(20) Czechoslovakia	75	197
(21) Austria	34	198

Fire Losses in Germany in February :

Losses sustained through fire by the Association of Private Fire Insurance Companies in Germany amounted for February 1933 to Rm. 6,072,162 on the whole as against Rm. 6,05,000 for the preceding month and Rm. 8,112,712 for January 1932.

The respective amount of losses sustained during February by the Companies belonging to the Association of Public Fire Insurance Companies is Rm. 5,308,044 on the whole as against Rm. 6,826,319 for January and Rm. 7,807,631 for January 1932.

CURRENT TOPICS

Ports and National Development

The importance of ports in national economy is very great. They serve as gateways of traffic between the sea and the land and constitute links in the chain of commercial activities or vital centres in the process of transport. The administration of ports in India is not such as provides for the development of a co-ordinated national economic policy. We share the views of Mr. Gaganvehari Lal Mehta whose article on this subject appears in the *Modern Review* for May, 1933. The following is the concluding portion of his article :

The importance of ports will be evident from these facts. With a view to foster the development of ports and national shipping, differential port dues and tonnage dues on national and foreign vessels are levied by many countries. Portugal and Spain, for instance, subject foreign ships to such discriminatory dues even now while at various stages in its economic history, America has resorted to preferential dues for national vessels. This discrimination became so widespread and serious that only a few years ago, a Convention of International Regime of Maritime Ports was drawn up for securing equality in all port dues and charges between national and non-national ships, but even this convention specially excluded maritime coastal trade from its scope. At many British ports, different dues are levied on ships on the British and foreign registers. At Liverpool, in the case of every new vessel built in the United Kingdom which on her first voyage

goes to Liverpool in ballast direct from the port where she was built and trades outwards from Liverpool with cargo, one-half of the Dock Tonnage rates payable in respect of outward voyage are remitted. The Indian Trade Enquiry Committee of the Imperial Institute recommended some years ago that in order to encourage the export of oil seeds from India, ports in the British Empire should charge preferential dues for British shipping. The Port Facilities Committee appointed in 1929 by British shipping, industrial and commercial interests clearly stated in their report that the coasting trade is an important element in national defence and held that for the development of coastal trade, constructive action in regard to port improvement was necessary. It is evident therefore that the port problem is regarded elsewhere as a part of the problem of national economy and port administrations on their part do not ignore the larger and more fundamental economic interests. It is only in India that port authorities argue that they are "not concerned with the ownership of the ships which trade to the Port" and that because the revenue of a port is mainly derived from foreign trade, the Port Trust should not in respect of stores purchase adopt a policy of preferring indigenous goods which would put foreign imports at a disadvantage. In other countries national considerations do find a place in the administrative policy of the ports. Ports are, in a word, national assets : their administration is not a municipal matter of local importance only. They should as far as possible, be under central control in order that the nation might have a voice in their development on national lines and that their

activities correlated accordance with a national policy.

What a Salesman Should Know

The following appears in the *Assurance Review* of Wolverhampton, for April, 1933 :

A salesman should have self-confidence—yes, but he should not have self-consciousness. He should not be thinking of himself when he is talking to a customer.

Sometimes a salesman tried to have personality. He thinks of his own manner. He thinks—"I must make a good impression." And the customer thinks—"Here is another swanker come to bother me."

A salesman's mind should be so full of his goods and of interest in the customer that he should forget about himself.

If he is really interested in his customer, and if he knows his goods and believes in them, his manner will take care of itself.

Selling is not a matter of "mental domination," as some American books teach. It is not trying to make a customer do what you want him to do.

It is rather the art of getting on good terms with him—of being a good mixer of being likeable, well-informed and congenial.

Too much Ego—that spoils many a salesman. A man with the manner of a prima-donna can't be successful in selling goods. He wastes his time trying to sell himself.

Compare this with the following note published in the *Insurance Advocate* of New York for March 25, 1933 :

Last year a couple of Professors affiliated with a prominent university made an investigation on scientific lines into the psychology of selling and buying. They reached the conclusion, among others, that the salesman's attitude and action will be most successful if he strictly follows six rules, which are :

Don't do more than your share of the talking.

Never interrupt your prospect.

During the opening part of a sales talk, inquire before you start selling.

When your prospect has for the first time stated his objection to you, repeat the objection briefly in your own words.

At the conclusion of a sales interview, when you land the final closing sales talk, base it on one key issue.

Relief of Farmers in Japan

The Japanese Government always take an active interest in the betterment of agricultural population of the country. Here is a plan for the amelioration of the burden of debt of the farmers and is reproduced from the *Japanese Trade Bulletin*, for May, 1933 :

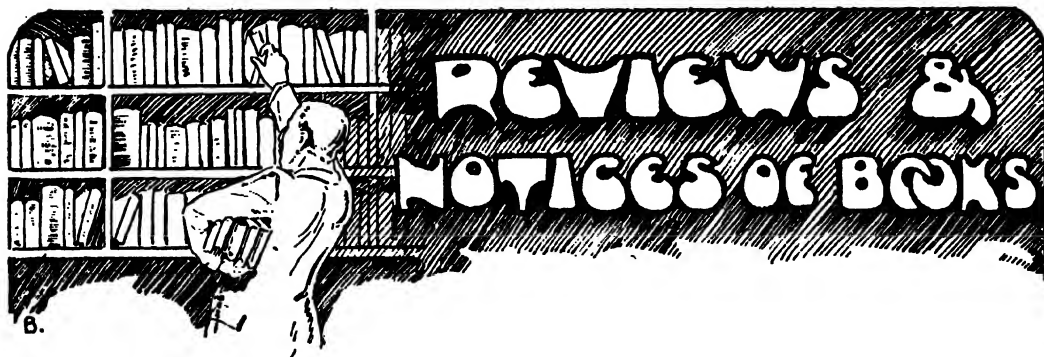
The Government submitted a bill to the Diet some time ago for adjusting the debt of farmers. The committee appointed to discuss the proposed plan learnt that the total amount of the debts of farmers is yen 546,000,000. The amount represents about 82 per cent of the total debt of farming, fishing and mountain communities.

According to an investigation made by the Department of Agriculture and Forestry, Nagano Prefecture leads with a total debt of yen 250,000,000 ; Shizuoka Prefecture is second with yen 220,000,000 ; and Hokkaido is third with yen 202,000,000. Tokyo Prefecture has the smallest amount of debts, with only yen 6,591,000. The remaining Prefectures have from yen 100,000,000 to yen 200,000,000 debts.

Taking the case of Nagano Prefecture as an example, the per household average amount of debt is yen 2,550 for landowners, yen 660 for farmers cultivating their own lands, yen 515 for those cultivating both own lands and tenant lands, and yen 280 for tenant farmers.

According to the proposed plan, the Government is to advance funds for farmers for adjusting their debts, but such funds are to be given only to members of the Debt Adjustment Associations of farming communities which are organised according to regulations and which are able to execute plans for economic revival and debt adjustment.

The amount to be supplied by the Government is to be about one-third of the debt, but in any case not more than one-half. It is further reported that the Government wishes that the amount supplied are to be repaid in annual or periodical instalments within twenty years.



POLAND, 1914-1931: *By Robert Machray,*
New York: E. P. Dutton & Co., 1932, \$3.75.

Since the last European War Poland has been increasingly attracting the attention of the intellectual and politically-minded world. With so much disturbance in the balance of political power, particularly in the Central European States, with the new experiments in parliamentary government, with the experiences of the new-born Dictatorships, with Fascism and even with the threat of the neo-Aryo-Ethnic politics of Hitlerism, it is no wonder so many literatures have poured in on us constantly during the last decade or so. Of clashes, struggles and a wasteful destructive attitude there have been quite plenty in recent years in Europe though there have also been constructive statesmanship and solid achievement. Peace, order and democracy have had their victories, and Mr. Machray makes it indeed heartening to a discouraged world to hear more about the gains that even some of the hard-pressed Central European States have been able to achieve.

Mr. Machray's book is in the nature of a narrative or chronicle. On the background of the very unhappy lot of the Polish people before the war, Mr. Machray has reared up a picture of the present conditions and the prospects of future developments and improvements away from the demoralising dominance of Austria, Russia and Prussia. The story of the partition of Poland is quite familiar to every student of modern European history, and the celebration of the 13th anniversary of the present Republic on the Armistice Day in 1931, so beautifully described by the author, comes as almost a

pleasant surprise to those who have been used to look upon Poland, a stretch of country naturally beautiful and fertile,—as a matter for the exploitation of any adventurer who may have been capricious enough and strong enough for it. The narrative is almost literary in its fulness, vividness and picturesqueness, though one might wish that there were more in the line of a more dispassionate and scientific survey and interpretation.

Three lines of policy dominate the narrative,—constitutional, financial and international. The first is primarily concerned with the Dictatorship of Pilsudski. Though the author is a parliamentarian in sympathies yet the inaptitude and sterility of the Polish Republic in its earlier days, inclines him to regard a Dictatorship as inevitable, if not even desirable for the time being. To him Pilsudski is a man of genius, the real maker of Poland and the greatest by all odds of the figures on the country's political stage during the last seventy years.

As in the other matters, the country's foreign relations are treated only so far as they have any real bearing on the narrative itself. He refers, for instance, to the tension with Germany over Upper Silesia and the Corridor, and with Lithuania over the Vilna, but he asserts that the impression of the modern world that Poland is developing into an aggressive militaristic state bent on conquest, is grossly untrue. In all, remarks the author, Poland may be rightly considered a bulwark of western civilization and a powerful factor making for the equilibrium of Europe and the peace of the world. The misconception has probably arisen out of, he concedes

the impressive size of the new Polish army and her alliance with Rumania, but that was inevitably forced upon her by her open frontiers on both the east and the west, and does not necessarily signify militaristic aggressiveness.

So far as the scope of the book as strictly confined within the limits of a narrative goes, it has well achieved the purpose in view. It is however felt that if the book had been written entirely from a different angle, and been given an entirely different treatment, it would necessarily have yielded better results.

KARUNA KUMAR NANDI.

THE DILEMMA OF THE WAR DEBTS.

By Bernhard Ostrolenk (Current History, Jan 1933.)

The war debts has for the past triennium been the stumbling block over which the efforts of the modern world to secure a comparative readjustment of production to demand and prices to cost of production, has been precipitately sprawling themselves on to the floor. Dr. Ostrolenk has been endeavouring in this very interesting article to indicate the causes why these efforts have so far been so abortive. When boiled down to the simplicity of utilities the only method open to the debtors both in respect of the war debts and the reparations of paying the money is by goods and services. But the ultimate creditor has naturally a very grave objection to this method of payment, even though it is well known that there is not enough gold in the vaults of the Central Banks of the forty-five different countries of the world to meet, if put together, even a third of the total amount of transactions to be carried through, and also that, even of whatever gold there is, the ultimate creditor herself has already in her vaults more than a third of the total supply. Goods and services she cannot accept, for that would no doubt be ruinous to her internal industrial and commercial enterprises. A country's imports are generally paid for by her exports, and to accept repayment of debts and the liquidation of reparations in goods and services would mean that the imports should far exceed the exports of the country. In that case the local markets would no doubt get swamped by these necessarily accepted imports and ruin local trade.

Dr. Ostrolenk is at a loss to suggest a way out of this dilemma facing him and his country, and the only way he can see out of it is to accept the other very rational alternative of a mutual cancellation of both the debts and the reparations. The article is very interesting and is very well-written with a fairly good historical background of the monetary conditions and readjustments of the European countries and America just after the war. But the Congressional declaration that the question of either cancelling the debts owing by the European States to America or reducing them cannot in any case be considered, makes it impossible to replace the world back to a comparatively better and sounder footing. But even the Congress will have sooner or later to see the thing in its proper perspective for the question is not really whether the allies can pay, but that if they should be induced to pay in the present circumstances in goods and services, with the very definite danger of thus ruining internal trade, or if the more rational attitude of scaling down the debts and making a more reasonable readjustment possible should be adopted. We are watching with interest what course is adopted by the world.

KARUNA KUMAR NANDI.

THE WORLD CRISIS AND THE PROBLEM OF PEACE. *By S. D. Chitale. International Book Service, Poona, 4, 1933. Pages 230. Price Rs. 3-12. Foreign 7s.*

The world is passing to-day through a grave crisis, not only in the economic sphere but also in the political and social spheres. It is torn to-day by conflicting ideas and solutions, ranging between the extremes of rigid individualism and varied forms of communism, as also of exclusive nationalism and unfettered internationalism. Mr. Chitale's book is an opportune publication and seeks to present a searching analysis of the causes of the world crisis in essentials. This young Indian thinker has discussed every question of importance in regard to the development of international peace and has marshalled the facts and statistics in their historical perspective which will, we hope, be highly educative and suggestive. This book will be useful not only to the students of politics and

economics, but also to practical politicians and economists. In congratulating the author on the publication of this brilliant book, Professor Benoy Kumar Sarkar, an acknowledged authority on world economy and politics, says: "As a historical introduction to the study of contemporary problems in industrialisation, export and import of finance, competition for markets etc., the present work will not fail to stimulate our publicists, journalists and students of social service in general to independent investigations in allied fields. Foreign readers will also find in it a more or less comprehensive Indian way of approach to the question of world reconstruction."

The book is nicely got up and moderately priced.

M. MORLIK.

GOVERNMENT SECURITIES AND LIFE FUNDS. Edited by Messrs. S. L. Roy, M. A., and Sunil Dutta, B.Sc., Published by S. K. Banerjee, Aminabad Park, East Lucknow. Price Annas Four only.

This small booklet is the first of a series which its publisher intends to bring out for the use of the agents and insuring public. The Editors of these series are well-known in their lines and whenever they speak, they speak with the weight of authority. The present booklet is a reprint of the article entitled "Investment of Life Fund" written by Mr. S. L. Roy, in the columns of the *Insurance Herald*. From time to time Mr. Roy, it seems, is a man of strong likes and dislikes and whenever he writes he writes with some amount of dogmatism, refusing, as it seems, to accommodate any other opinion which might reasonably claim its attention upon us. That government securities are the best fields for the investment of insurance funds has long been contested by men whose opinions are entitled to respect. Mr. Roy would have done well if he would have discussed the comparative merits of insurance investments in different fields as a whole rather than sing hallelujah to government securities only with the enthusiasm of a zealot.

S. B. ROY CHOUDHURY.

CHITKAL (THE JUTE MILL). By Nihar Kumar Pal Choudhury. Published by Pabitra Gangopadhyaya. Pages 75+xx. Price. Re. 1.

It is a lesson of industrial history that with the growth of capitalism and concentration of power in the hands of capitalists, the other factors of production also combine amongst themselves and offer an equally forcible resistance to the former's spoliation of the latter. Bengal is being revolutionized industrially and is fastly becoming an industrial country of considerable importance. Thus the struggle between capital and labour, particularly foreign capital and Indian labour, is becoming more marked and has found expression in this short drama of Mr. Pal Choudhury. There is also a plea for the formation of trade unions and labourers' organisations and for a co-ordination of strength and resources of the industrial labour of our country. We hope the wretched conditions of mining labour which are described in this drama will not fail to attract the notice of our thinkers and legislators.

The get up of the book is excellent and the price is not high.

M. MORLIK.

ONWARD—An English Fortnightly. Edited by Sudhansu Bikash Roy Choudhury and Ajit Som. Published from 29, College Street, Calcutta. Annual Subscription, Rs. 3.

This journal the first few copies of which were published with the most familiar and popular name in the field of Indian journalism, "Forward," has suffered a change in its name for reasons of law. Forward or Onward, the name signifies the ideal—political, social and economic, for which it stands. It has sought to represent the culture of young Bengal in the field of politics, sociology and economics, and has brought to light the mind and art of the young Bengali intelligentsia in a stimulating manner. Every issue of the paper is replete with thought-provoking articles, and the special sections devoted to trade, finance and sports are well edited. Under the able editorship of Mr. S. B. Roy Choudhury who has already made a name for himself in journalism and Mr. A. Som who has long been connected with the student movement, *Onward* bids fair to rank as one of the foremost fortnightly journals in the country.

DR. S. C. ROY.

THE STUDENTS' FORUM

The twenty questions propounded by the Pennsylvania Insurance Department in its written examination of applicants for licenses, held on January 7, have been answered by John Glendening, Secretary of the Franklin Fire of Phila., in the "*United States Review*" of that city as follows :

1. *For what periods of time are fire policies written? How is the rate affected?*

1. Fire policies are usually written for periods of one, three, five and ten years, although other periods are permissible. Term rates are *pro rata* of the annual rate except where the local rules permit otherwise. Periods less than one year are based on a "short rate" of the annual rate.

2. *How is the amount of premium determined, and by whom?*

2. The rate applies to each \$100 of insurance, hence the premium is determined by multiplying the amount of insurance by the rate. The law provides that each stock company shall either file a schedule of rates with the Insurance Commissioner or be a member of a rating bureau.

3. *Name some items in an insured building that are not covered unless specifically mentioned.*

3. Bullion, manuscripts, mechanical drawings, dies or patterns.

4. *Do illegal acts of a tenant, performed*

without knowledge of the owner, invalidate the owner's insurance?

4. If the illegal acts constitute an increase of hazard, the company will not be liable for loss or damage while the hazard is increased by any means within the control of the insured.

5. *Does a paid fire department have any effect on the size of fire premiums?*

5. Credit for a paid fire department is given in the rate in territory where fire hydrants are available for use.

6. *Define twisting. What is the penalty for twisting?*

6. "Twisting" is causing an assured to unnecessarily change his insurance from one company to another. The penalty is revocation of license and a fine of not more than \$500 or not more than six months' imprisonment or both.

7. *Can the insured, having a partial loss demand that the company pay the full amount of insurance and take the remaining property?*

7. The assured cannot abandon any remaining property to the company. "Abandonment" is defined as being the voluntary relinquishing of all control or care of the damaged property by the assured, thus making the company wholly responsible for its safekeeping.

8. *Explain briefly the purpose of the co-insurance clause.*

8. In consideration of a reduced rate, the company's liability is limited to no greater proportion of any loss than the amount of insurance bears to the stated percentage of value of the property insured, hereby inducing the assured to cover his property for an adequate amount in proportion to its value.

9. *What is the difference between the two mortgage clauses commonly used?*

9. The "full contribution mortgage clause" provides that all insurance, regardless of interest covered, shall contribute its proportionate share of every loss, whereas the "non-contribution mortgage clause" omits this proviso, thereby subjecting a policy to the full claim of the mortgagee regardless of other existing insurance which is not payable to the said mortgagee.

10. *If a fire results from damage by windstorm, what part of the damage, if any, is covered by the fire policy?*

10. "If a building, or any material part thereof, fall, except as the result of fire," all insurance ceases. Fire losses would be covered subject to the operation of this clause.

11. *State generally to what extent and in what manner clauses can be added to a policy or its standard conditions waived.*

11. The extent of the application of insurance and of the contribution to be made by the company in case of loss or damage, and any other agreement not inconsistent with or a waiver of any of the conditions or provisions of the policy, may be provided for by agreement in writing added thereto.

12. *How is the cost of coverage of property insured under a binder determined (1) if policy is issued? (2) if binder terminates without insurance of policy?*

12. (1) No charge is made for the binder, the policy being dated back to the inception date of the binder. (2) An earned premium is charged on a short rate basis of the annual rate.

13. *Could failure of the assured to protect his property during a fire on neighboring premises have any effect on his claim if he suffered a loss at that time?*

13. The company is not liable for loss or damage caused directly or indirectly by neglect of the insured to use all reasonable means to save and preserve the property when endangered by fire in neighbouring premises.

14. *What is meant by concurrent insurance? Should an agent inspect for concurrency all policies intended to give the same coverage?*

14. If the written portions of all policies covering the same property are exactly alike, the policies are called "concurrent." An agent should see that this condition exists; otherwise a loss adjustment will result in confusion and embarrassment and perhaps an unsatisfactory settlement to all parties concerned.

15. *What is an appraisal? When is it required?*

15. When assured and company fail to agree as to the amount of loss they resort to an appraisal. Each shall on the written demand of either, select a competent and disinterested appraiser who then selects an umpire. The appraisers shall

appraise the sound value and loss or damage in accordance with policy conditions. The award in writing of any two shall determine the amount of loss or damage.

16. *Discuss insurable interest as applied to fire insurance.*

16. No one is entitled to fire insurance who does not possess an "insurable interest," which may be defined as a claim or interest in property which will be subject to a loss if the said property is damaged by fire.

17. *How may an assured assign his interest in a policy after a loss?*

17. Assuming that the policy was valid at the time of loss, it may be assigned after a loss by securing the companies' written consent thereto, subject however, to the adjustment of the loss according to policy conditions as of the date of the fire. If the assured also wishes to assign his interest in the loss, this may be accomplished by serving due notice on the company in proper legal manner.

18. *A \$35,000 property is insured for \$21,000 with the 80 per cent co-insurance clause. A \$16,000 loss occurs. What is the company's liability?*

18. 21,000-28,000 of \$16,000 or \$12,000.

19. *What requirements are made if insurance is cancelled (1) by the company? (2) by the assured?*

19. This policy may be cancelled at any time by the company, by giving to the insured a fire days' written notice of cancellation, with or without tender of the excess of paid premium above the *pro rata* premium for the expired time, which excess, if not tendered, shall be refunded on demand. Notice of cancellation shall state that said excess premium (if not tendered) will be refunded on demand. This policy shall be cancelled at any time at the request of the insured; in which case the company shall upon demand and surrender of this policy, refund the excess of paid premium above the customary short rates for the expired time.

20. *What is the obligation of the agent to the assured and the company?*

20. An agent should procure a thorough knowledge of his business in order that he may render his client the best of service and advice. He should act with perfect good faith toward his company and not in any way abuse the confidence reposed in him.



COMPANY NOTES

Oriental Government Security Life Assurance Company Ltd.

We congratulate the Oriental Government Security Life Assurance Company Ltd. on the splendid results of its working during the year ending 31st December, 1932. The Oriental was established in Bombay nearly sixty years ago and is to-day the largest Indian insurance company, the pride of Indians and the envy of foreigners. Before proceeding further we shall give the summarised results of the Company's working for its fifty-eighth year here.

Results at a Glance

New Sums Assured	Rs. 5,94,00,727
New Policies	29,982
Annual Premium (on New Sums assured)	Rs. 32,12,583
New Sums Re-assured	Rs. 2,15,000
Total Assurance in force	
(with Bonus Additions)	Rs. 43,91,91,496
Total Number of Policies	
in force	2,07,531
Claims paid during the year	Rs. 85,04,826
Expense Ratio	21 p. c.
Total Funds	Rs. 12,48,18,668
Total Investments	Rs. 17,12,89,875

The above figures will explain amply the strength and solidarity of the Company and the popularity it enjoys among the people. The fifty-eighth Annual General Meeting of

the Shareholders met under the shadow of the sad death of Mr. S. E. Warden, who had been a Director of the Company for 29 years and had occupied the chair for 17 years, and to whom a glowing tribute was paid by Sir Purshottamdas Thakurdas who presided over the meeting.

The two most outstanding features which have recorded an improvement in the affairs of the Company are the reduction in the expense ratio and appreciation of security values. Expenses of management show a reduction from 21.4 per cent in 1931 to 21 p. c. in 1932 following the reduction from 22.4 p. c. in 1930. The Company's investments in Government Paper and other Trustee Securities have recorded an appreciation in their market values to the extent of 208 lakhs without taking the Investment Reserve Fund of 25 lakhs into account. Last year there was a depreciation of 187 lakhs in the Company's security holdings, and it is remarkable that the securities have recorded an appreciation of 395 lakhs during a period of twelve months.

The Chairman's speech on the occasion contains a thorough analysis of the present position of the Company in all its branches and affairs, and amply shows that the Company is founded on the rock of security and safety. The following extracts from the speech would, we hope, be of interest :

Taxation of Life Assurance Companies has been a rapidly increasing and heavy burden on the Income and Profits of the Companies in recent years, and it is a question for serious consideration whether a representation should not be made by the Indian Life Assurance Companies with all the force at their command for an amendment of the basis of Income Tax Assessment. There is ample justification for such a representation for several reasons, one being that a substantial proportion of the profits distributed at each Valuation is simply a return to Participating Policyholders of the proportion of the premiums paid by them representing the loading for profits, and strong opinions have been expressed in some quarters which go even further to the extent of holding that only that portion of the profits of a Proprietary Life Assurance Company which is allocated to the Shareholders of the Company should be taxed. In any case there can be no two opinions that it is absolutely unfair in view of the constitution of Life Assurance Companies that the profits disclosed, by far the greater portion of which, and in the case of Mutual Companies, all of which, are returned to Policyholders, should be assessed to Super Tax which on principle should be a tax on the Income of the individual only.

On numerous occasions in the past my predecessor in this chair has attempted to make clear how little the Company's actual profit distributing power is affected by temporary fluctuations in Market Values either up or down, and although at first sight one not familiar with the methods of valuation of the assets and liabilities of a Life Assurance Company might look for largely increased profits as the result of a substantial appreciation in securities, the case of a Life Assurance Company this is not possible. Even were it decided on the occasion of the next Valuation as at 31st December next to revalue for the purposes of the Balance Sheet our holdings in Government and other Trustee Securities and take credit for a proportion of the appreciation between the Book Values and the Market Values prevailing, it would be absolutely necessary, in order to maintain in the future the Surplus Interest Margin from which a considerable proportion of our profit emanates, to reduce the Rate of Interest assumed in the Valuation of our liabilities to such a rate as would maintain the Surplus Interest Margin intact, taking into

account the lower net yield on its investments which the Company would be likely to experience in future years as the result of such revaluation of the Book Values of these assets at a higher figure and the investment of new money available at the higher market rates now prevailing. The consequence of this is of course that the reserves required will be substantially greater than would otherwise be the case and the appreciation in such values which may be taken credit for has to be utilized towards this strengthening of the reserves.

National Insurance Company Ltd.

We have received a copy of the Twenty-Sixth Annual Report of the Directors of the National Insurance Company Ltd. together with the Audited Revenue Accounts and Balance Sheet for the year ending 31st December, 1932. The Reports record an improvement of the Company in more than one direction. During the year, out of 9818 proposals 7847 were accepted and resulted into new policies assuring an aggregate sum of Rs. 1,55,73,782 including sums reassured. The annual premium income attaching to the new life business for the year after deducting sums reassured, is Rs. 7,18,433. This records an increase in new business over the figure of the previous year of Rs. 23,43,057. Considering the dull times and a rapid decline of trade and commerce, this onward march of the Company ought to be congratulated.

The Life Assurance Fund including the other Reserve Funds now amount to Rs. 1,83,35,045 as compared with Rs. 1,63,37,590 at the beginning of the year. The funds have thus increased during the year by the substantial sum of Rs. 19,97,455.

The ratio of the expenses of management of the Company to premium income in the Life Revenue Account has been brought down to 27.3 per cent this year from 27.67 per cent

during the previous year. It is a very favourable feature of the Company for its age. The total interest income of the Company on its investments has been 8,94,801 after deducting taxes. During the year claims on account of death have been presented for an aggregate sum of Rs. 5,87,563 and the further sum of Rs. 6,91,645 became due in respect of matured endowment assurances.

The Directors also recommended the payment of a dividend of Rs. 12 per share for the period under review.

Mr. J. Chaudhuri, Chairman of the Board of Directors, made a reference in the course of his speech to the fluctuations of capital values and investments of the Company, and said :

A year ago we had to face a drop in Capital values necessitating the provision of no less than Rs. 12,50,000 for depreciation. Although a serious matter, owing to the large sum required, it left the Company with its main source of profit—namely the interest yield on its Funds— not only unimpaired but strengthened. Today we find that depreciation more than recovered and at first sight that appears a matter for congratulation. But further examination of conditions discloses a very adverse factor which makes any note of jubilation entirely out of place.

The appreciation in Capital values is general and prevents a yield on new investments of much over 4 per cent being obtained. The yield on reputable investments has in fact dropped by well over 1½ per cent. This strikes at the basis of Life Assurance business and we, and all other Life Assurance institutions, have to face the fact that under these conditions our business is producing a lower rate of profit.

It will be observed that we have this year replaced the 12½ lacs of depreciation written off in 1931 but we have not taken into account any additional appreciation. Thus the Funds at our last Valuation at the end of 1930 remain effectively at the prices ruling then and the appreciation beyond those prices is reserved so that our yield on that portion of our funds is maintained. On the other hand the very satisfactory increase in

our Funds you will have observed in this year's accounts can of necessity only be invested at prices giving a considerably lower yield. Future increases must similarly be invested at current yields and thus so long as the present 4 per cent era lasts we must face a steadily dropping yield on our Funds. We also have to recognize that a further change in conditions back towards higher yields can only be produced by lower Capital values consequent upon depreciation.

It will be evident from the Chairman's speech that the value of the Company's investments has appreciated to a considerable extent, although a period of uncertainty is still ahead of us.

The National comes third among Indian insurance companies in point of new business. If it cannot claim a higher position in the rank in point of its collective merits, it holds a unique position among the indigenous companies. The popularity of its schemes, the liberalism of its outlook in matters of management, and the solidarity of its finances conspire to make it an ideal institution. We congratulate Messrs. R. G. Das & Co., the Managers, and Mr. S. N. Banerjee, the Secretary, on their achieving these splendid results in the twenty-sixth year of the Company's life.

The United Bengal Insurance Limited

In these days when Provident companies have come to be looked upon with pessimism, it is a pleasure to find that the United Bengal Insurance Limited of Dacca has joined the field with an ambitious programme and seasoned schemes. Here are no exciting or sensational schemes for making money quick but the rates and policy provisions have been revised and approved by eminent Indian Actuaries. The United Bengal thus proposes to act purely on scientific lines and be guided by scientific principles only in their endeavour

to bring the benefits of insurance within the reach of the poorer sections of the people.

The two outstanding schemes of this concern are the Death Benefit Scheme and the Industrial Scheme. Under the former scheme, any person, male or female, aged 18 years and above possessing good health may become a member of the Company without medical examination. Policyholders of either sex get the full benefit of their policies if between the ages 18 and 45 they survive 90 days and between the ages 46 and 65 they survive 183 days, and above 65 they survive 365 days from the date of issue of their respective policies.

Under the industrial scheme, any person between the ages of 18 and 50 years having sound health is eligible for insurance. Ordinarily medical examination is not required and the policies are subject to a lien of six months, but the proponent may avail of the immediate commencement of risk by undergoing medical examination with the sanction of the Head Office. Under this scheme, policies are distributed in five different plans :—

- (1) Whole Life Assurance.
- (2) Whole Life Assurance with Limited Payments.
- (3) Endowment Assurance.
- (4) Rupee-a-Month Policy.
- (5) Anna-a-day Policy.

The premium rates are very low, and considering the extra privileges which the policy conditions provides for the Company's members, there is but little doubt that it will make a rapid headway immediately.

Mr. S. K. Bose, the able Managing Director of the Company is a thoroughly experienced insurance man, having worked for nearly a quarter of a century in this line. He has organising ability and is a big producer. We also congratulate the Company on its having secured the services of Mr. K. M. Das, M. A., as the General Secretary. Mr. Das had a brilliant career in the Calcutta University and worked for some time with a few

first class life offices in Calcutta. Under the leadership of Messrs. Bose and Das, the Company bids fair to be one of the most progressive insurance institutions of the province.

Bengal Mercantile Life Insurance Company Ltd.

The Bengal Mercantile is a fairly old Company having been established in 1910 in Calcutta. It had for some time past failed to shine in the limelight. It has indeed had a chequered career during these twenty-three years of its existence. Fortunately the Company's affairs and management have now fallen in the hands of Messrs. Mukherjee and Friends Ltd, a firm which owes its inception to the efforts of Mr. C. H. Mukerjee, whose name is well known in Indian insurance. Messrs. Mukherjee & Friends undertook the charge of affairs of the Company only a few months back, and within this short time, have effected considerable improvement not only in the organisation of the Company's field force but also in its finances.

The present Managing Agents have very seriously taken up the work of rehabilitating the Company's former popularity and soundness. One of the standing complaints against the Company before the present Managing Agents came in, was the amount of the outstanding claims. But now they have evolved an excellent system of paying these claims and it may be said with considerable accuracy that they will be paid off completely within a year or two. If the business of the Company increases at the present rate, it is almost certain that the Company will very soon occupy its former position of popularity and prestige.

The Directorate of the Company has also been remodelled. It now includes Prof. Nripendra Ch. Banerjee, Rai Bahadur Hira Lal Moulik, Prof. Benoy Banerjee, and other personages of repute. We wish the Company and its enterprising Managing Agents a career of unstinted progress, and ask our countrymen to lend them their unreserved support and co-operation.

NOTES AND GLEANINGS OF THE MONTH

The New Sterling Loan

The new 4 per cent (1948-53) India Sterling Loan of £12 millions at an issue price of 97½ came as a rude shock to the Indian investors and speculators. It has upset all fair minds and kind critics of the Government of India. In the first place, there could be no justification for borrowing at higher rate of interest than was demanded by the force of circumstances, and the truth of this was amply borne out by the experiences of the 3½ per cent Rupee Loan immediately preceding this Loan. The financial policy of the Government of India as revealed in the present loan operations clearly betrays a warm solicitude for British investors at the cost of Indian tax-payers. All the tall talk of the Finance Member in the course of his Budget speech this year in regard to gilt-edged securities has fallen to the ground after this. In the second place, it is necessary to consider whether there was any such urgency as to float the loan just at a time when another similar loan operation was in progress. The ways and means position does not favour the floatation of this sterling loan, and this unnecessary borrowing involving considerable sacrifice on the part of Indian tax-payers for some uncertain future requirement betrays a lack of true statesmanship on the part of the Government of India. Even if the Government had reasons to feel nervous about their

ways and means position, why the loan could not be made an internal one? As matters stand, there is not a single factor in favour of the Government's issuing this new Sterling Loan under such conditions.

It has been stated that the balance of the loan proceeds, after repayment of £7 millions maturing obligation, will be utilised for strengthening sterling reserves for the early inauguration of the Reserve Bank. This is after all a vague assurance and a meaningless consolation.

The effects of the new loan on the 3½ per cent Bonds have been disastrous. Moreover, the uncertainty and panic that have been created by this too-bold step of the Government of India are sure to destroy the confidence that the public were developing in the policy of the Government in regard to gilt-edge. The result would be higher rates in future for coming loans which would inevitably inflict greater burdens on Indian tax-payers due to the mal-administration of our public finance.

Jute and Bengal Ryots

At a Rotary Club meeting in Calcutta recently Mr. H. P. Bagaria, President of the East India Jute Mills Association, addressed Rotarians on "Jute Growing and Marketing." Mr. Bagaria began by reiterating that jute was the keystone of the economic structure of the province. He compared

the condition of the jute growers in 1925-26, when the price of the commodity went up to nearly Rs. 25 per maund, with their condition to-day, when it was fetching only about Rs. 3 per maund, and pointed out that during the boom every branch of trade and commerce was in a flourishing condition. He traced most of the troubles of the province to the serious fall in the price of jute. He placed before his audience a balance-sheet showing the profits derived from jute and jute manufactures distributed over the varied interests, from the field to the factory, and from the factory to the foreign consumer. From these figures, Mr. Bagaria concluded that the jute cultivator was the worst sufferer owing to the decline in prices and pointed out that if the price of jute could be raised, by some means, to say Rs. 6 per maund, the cultivators would receive about Rs. 11,00,00,000 more than what they are doing now which would mean a considerable addition to their purchasing power. The present prices did not leave any margin of profit for the cultivator, Mr. Bagaria contended, and this was to a great extent responsible for the stagnant state of trade and commerce in the province.

Mr. Bagaria complained that the Government of India, which derived a considerable amount of revenue from the jute export duty, had done nothing to protect the interests of the jute growers, and had not even appointed a central committee for jute as they had done in the case of cotton, which was an international commodity and not a monopoly like jute. He hoped that the appointment of the Bengal Jute Inquiry Committee would lead to the government taking adequate measures to enable cultivators to realise a better price for jute.

Improvement of Calcutta Slums

A comprehensive scheme for the improvement of the slums in Calcutta that will not only better the health of the city but also effect a saving of Rs. 1,51,000 with immediate effect has been drawn up by the Chief Engineer. The scheme has been discussed and sanctioned by the Public Health Committee of the Corporation at their recent meeting.

The Chief Engineer states that the only reason why Calcutta, in spite of a high death-rate, is not on the verge of depopulation, is that the population is a migratory one. The high death-rate is due to the highly insanitary condition of the bustees, where about 260,417 people congregate. Although the Corporation can compel the owners of bustees to pay more attention to them and to keep them clean, nothing in that direction has been done as legal difficulties might arise. The people in the bustees live in hovels, the pathways are strewn with garbage, sullage is not removed as it should be, and the drains are not flushed.

The Chief Engineer states that the Corporation is required to lay 302,333 feet of sewer pipes and 64,690 feet of unfiltered water mains, the combined expenditure under these heads being estimated at Rs. 11,56,135, including five per cent contingency amounting to Rs. 55,500. As regards the capability of the Corporation to work out the scheme, involving such heavy expenditure, the Chief Engineer states that the conversion work may be spread over a period of five years, and if that be not possible he has suggested the raising of a loan of Rs. 11,50,000, which also would be a profitable proposition. The whole amount of the loan would be repaid, as suggested by him, in ten years. Once the sewer and unfiltered

water pipes have been laid, the Corporation can compel owners of bustees to construct the privy chambers.

The International Food Problem

During the last three years, the fall in prices on the international markets for foodstuffs has resulted in a corresponding drop in the cost of living. It was not until the second half of 1932 that the resistance to such a collapse was sufficiently strong to justify the statement that the previous development had been brought to a standstill. In some instances, the index for food at the close of last year was once more above the average for the year. The food index in Germany has till quite recently continued to fall from 119.9 in December 1931 to 109.0 in December 1932.

The other countries without exception have less conspicuous falls in the prices to show. In Belgium, Denmark, Italy, and Japan, the food prices at the end of 1932 were appreciably above the level of December 1931. In Japan, the index rose from 156 to 166, but this is mainly due to the depreciation of the Yen and the resultant all-round improvement in the prices. In comparison with the pre-war level, the prices for foodstuffs in the different countries exhibit a marked change. The lowest level was reached in Australia, where, in spite of the depreciation of the local currency, the index was about one-quarter below the level of 1913.

THE COST OF FOOD IN 15 COUNTRIES

(Taking 1913 as 100)

Country	December					
	1925	1929	1931	1932	1931	1932
Germany	147.8	154.5	127.6	112.3	119.9	109.0
Belgium (1921-100)	137	218	176	150	161	162

	December					
	191	148	121	117	118	120
Denmark	191	148	121	117	118	120
France (gold Frs.)	—	102.2	98.9	87.6	89.3	85.6
Great Britain	171	154	130	126	131	125
Italy	—	543	452	431	434	436
Holland	175.9	162.4	135.7	119.4	125.5	119.5
Norway	125	158	130	134	136	132
Sweden	168	150	120	125	127	125
Switzerland	160	156	141	125	134	122
Austria	113	122	108	110	110	109
United States	157.4	156.7	121.3	102.2	114.3	99.6
Canada	137	143	112	93	101	93
Japan	236	203	151	157	156	166
Australia	100.2	104.7	83	80.5	80.9	78.6

World Production of Coal in 1932—

A Fall of 30 per cent since 1929

Ever since 1929, the world production of coal has been steadily falling. Including the mining of lignite, which was converted into the value of mineral coal, the world production of coal in 1929 was still as much as 1,400 million tons, which fell, however, to about 1,000 million in 1932. All the countries producing coal were hit by the crisis on the markets, and only Russia and Holland succeeded in increasing their output. Countries exporting coal, such as Great Britain, Germany, and Poland, encountered the severest losses, as well as important industrial countries like the United States and France. The mining of coal in Belgium was seriously hampered by a miner's strike in 1932. In other respects, the curtailment in production could not prevent excessive accumulations of coal everywhere. The actual available stocks at the close of 1932 are being estimated at about 50,000,000 tons.

Monthly average of coal production of the leading countries in the trade.

(Calculated in millions of tons.)

Country	1929	1930	1931	1932
Great Britain	21.8	20.6	18.6	17.3
Germany	13.6	11.9	9.8	8.5

(Calculated in millions of tons.)

Country	1929	1930	1931	1932
France	4.4	4.5	4.1	3.8
Belgium	2.2	2.2	2.2	1.6
Poland	3.8	3.1	3.2	2.3
Russia	3.4	3.9	4.4	6.3
Holland	0.9	1.0	1.0	1.0
Canada	1.0	0.8	0.7	0.6
South Africa	1.0	1.0	0.8	0.8
India	1.9	1.9	1.7	1.6
Japan	2.8	2.6	2.1	2.1
United States	45.5	40.1	33.0	26.0

Life Insurance in Canada in 1932

During the year 1932 the net amount of life insurance written and paid for in cash in Canada was \$651,455,266, this being a decrease of 16 1/4 per cent. from the corresponding amount written in 1931.

Of the total amount written in 1932, ordinary insurance amounted to \$485,450,261 industrial insurance, \$152,414,746 and group insurance, \$16,590,259.

The total net business in force in Canada on December 31, 1932, was \$6,471,688,455, this being a decrease of 2 per cent. under the corresponding amount at the end of 1931.

Of the total amount in force \$4,311,847,690 was carried by Canadian companies and \$2,159,840,765 by British and United States companies.

The total net business in force in Canada of Canadian fraternal societies was \$122,608,742, and of foreign fraternal societies \$53,237,115, or a total for fraternal societies of \$175,845,857.

Forthcoming Commercial Legislation in India

The forthcoming session of the Legislative Assembly bids fair to be of considerable

interest to the commercial world. It is understood that two new bills will be introduced, the Factories Bill to give effect to the recommendations of the Labour Commission relating to employment of labour in factories and a short bill to amend the Arbitration Act to empower all courts to stay proceedings pending arbitration. The agenda will further include consideration of the Workmen's Compensation Bill, two bills to amend the Indian Railways Act, one relating to road-motor service and the other to enhance the penalty for pulling communication cord, the Income-tax Amendment Bill, the Indian Merchant Shipping Bill relating to international convention, the Wireless Telegraphy Bill, the Payment of Wages Bill and Negotiable Instruments Act Amendment Bill relating to bearer cheque.

Ottawa Insurance Legislation

The Rt. Hon. Arthur Meighen, announced early in the month that amendments to one or two insurance acts enacted in 1932, would be brought forward this session. This statement was made when speaking to the reading of a bill moved by Senator C. P. Beaubien, of Montreal, which sought to enlarge the statutory field for investment for federally licensed companies.

The object of Mr. Beaubien's bill is, to widen the sections of the Canadian and British Insurance companies act, dealing with investments, so as to legalize the investment of insurance funds in the bonds and debentures of certain charitable, educational and philanthropic institutions of Quebec. There is believed to be about \$15,000,000 of these bonds outstanding, and it seems reasonably certain that the bill, as introduced, will pass the House.

Any amendments which the Government proposes introducing to the acts passed in 1932, will have to do with minor changes in the statutes, the tying in of loose ends and strengthening of the statutes from a constitutional viewpoint.

A. K. Sen & Son.

Messrs. A. K. Sen & Son, who had been working very creditably as Chief Agents of the Nagpur Pioneer Insurance Company Ltd. for Bengal, Assam and Burma for the last three years have resigned their office. Mr. U. N. Sen, proprietor of the firm, who had so successfully run his organisation in Bengal and Burma on behalf of the Nagpur Company has now joined the Empire of India Life Assurance Company Ltd., as a Calcutta Organiser. We wish Mr. Sen a career of greater success and brilliance in his new office.

General Assurance Society Ltd.

The Opening Ceremony of the New Wing of the General Assurance Society Ltd at Ajmer was celebrated with great eclat under the Presidentship of Dewan Bahadur K. L. Poorasker, M. A., C. I. E., Chief Councillor of Burdi State, on the 28th April last. The function was performed before a distinguished gathering which included Mayor L. G. Batham, Shahibzada Abdul Wahid Khan, Rai Shahib Raghunath Das and others.

In a short speech the Chairman traced the growth of the Society from 1907 when it was started with a modest capital of Rs. 200 in a small house on the Kutchery Road for a rent of Rs. 6 per month, to the present time when it ranks as one of the leading life offices in India with assets over Rs. 50 lacs. We also mentioned the follow-

ing statistical account of the Society's progress by way of illustration.

The following figures will give an idea of the progress made by the Society :—

Year	Annual Income	Business in force	Life Assurance Fund	Invested Fund
1908	1,285	24,729	200	3,558
1912	79,298	12,00,000	26,565	73,116
1917	1,08,166	19,44,018	2,15,733	3,25,133
1922	3,36,001	61,90,367	5,20,196	8,03,366
1927	7,18,355	1,28,95,891	16,91,263	21,35,234
1932	13,29,505	2,19,00,000	46,23,996	48,73,627

Vijaylakshmi General Assurance Company Ltd.

Mr. S. Venkatachalam Chetty, M. L. C., Chairman of the Vijaylakshmi General Assurance Co., Ltd. Madras, performed the inauguration ceremony of the Company's business on the 10th May, 1933, at their own premises, 13-14 Second Line Beach.

The Company has made a very good start and is likely to come out highly successful in no time.

A Social Gathering

Messrs. Pindi Dass & Co. of Lahore, Chief Agents of Industrial and Prudential Assurance Company Ltd for the Punjab and N. W. F. Provinces met Mr. K. C. Desai, General Manager of the Company and President, Indian Life Assurance Offices Association at a garden party on the 18th April, 1933. The function was very pleasant and many reputed personages of the town attended the party.

Department of Statistical Research

The Government of India have decided to inaugurate a department of statistical research with a director in charge. It is proposed to make the statistical research branch a training ground for distinguished graduates in Economics to be selected by

the Public Service Commission from nominees of Indian Universities and two scholarships of Rs. 200 per mensem each would be awarded. The new research branch will help Government to collect material not only on the working of the Ottawa Pact, but also help the operation of the Anti Dumping Bill and future Reserve Bank.

Mr. H. N. Das Gupta

Mr. Hemendra Nath Das Gupta of the Metropolitan Insurance Co., Ltd. has been appointed Girish Chandra Lecturer of the Cateutta University to deliver a course of lectures on the development of the Bengali Stage. Sj. Das Gupta's biography of the late Girish Chandra Ghosh has been acknowledged by competent authorities as a standard publication. Our congratulations to Mr. Das Gupta.

Mr. U. N. Sen's Bereavement

We regret to learn the loss sustained by Mr. U. N. Sen, our esteemed contributor and friend, in the death of his mother which sad event took place on the 6th May, 1933. We tender our sincere condolence to Mr. Sen and his relations in their bereavement.

Insurance Education Society and the College of Insurance

An extra-ordinary general meeting of the Insurance Education Society which suspended its operation sometime back was held on the 17th May last under the presidentship of Mr. J. N. Basu, M.A., B.L., M.L.C., President of the Society at 135, Canning Street, Calcutta. Dr. S. C. Roy, General Secretary of the Society explained before the meeting the urgency of restarting the functions of the Society and proceeding with the preparation

of starting a College of Insurance under the auspices of the Society. He further emphasised that the aims and objects of this Society did not run counter to those of other insurance institutions, since none of the other institutions contemplate the undertaking of such functions as this Society proposes to do. He also explained the different kinds of benefits which the establishment of this College would provide for the insurance companies and the workers themselves. The General Secretary prepared budget estimates of the Society for the year 1933-34, which was moved by Mr. H. K. Sarker, seconded by Mr. S. K. Chaudhury and carried unanimously. The proceedings of the last meeting of the Society was also read and accepted.

The meeting adopted the following resolutions.

(1) (a) That the rules and regulations drafted by the General Secretary as per Resolution No. II, dated 17th January, 1931, be hereby adopted as the rules and regulations of the Society.

(1) That as soon as there will be 50 members on the roll of the Society, it will be registered under Act XXI of 1860.

(2) That a Special Committee consisting of the following five members be formed to organise the College of Insurance and take necessary steps to carry out that object :—

- (1) Dr. S. C. Roy
- (2) Mr. H. K. Sarker
- (3) Mr. Ashoke Chatterjee
- (4) Mr. B. Biswas.
- (5) Mr. K. N. Sen (Late of Sun Life).

That the Committee be also authorised to collect funds either by subscription or donation and may incur expenditure within budget estimates.

(3) That the governing Body be hereby requested to prepare the syllabus, fix up terms and conditions of lectures, appoint the Principal, Vice-Principal and Lecturers etc, in consultation with the Special Committee.

(4) That the Governing Body be authorised to draw up a scheme for the conferring of the following diplomae on candidates on the following conditions.

(a) F. I. E. S.—The Fellowship of the Insurance Education Society will be given as an Honorary diploma to persons for conspicuous service or attainments in the field of Indian insurance.

(b) M. I. E. S.—The Membership diploma will be conferred on those students of the college who will pass the final examinations of the Insurance College.

(c) Certificates for undergoing training in the college will be given to those students who will fail either to appear at or pass the final examinations.

(5) That an appeal on the lines previously issued by the General Secretary be issued under the signature of the President, Chairman of the Governing Body, the Secretaries and a few other members soliciting donation of funds from insurance companies and the public.

Besides these resolutions, ways and means for starting the college immediately were

discussed, and it is almost certain that regular classes will commence from July next. Mr. J. N. Basu in bringing the meeting to a close gave valuable suggestions for the proper administration of the college and guidance of the Governing Body of the same. With a vote of thanks to the Chair, the meeting came to a close.

New Insurance Company

Preparations for the floatation of a new insurance company in U. P. to be known as New Insurance Limited are nearly complete.

Among the directors of the Company are Mr. G. D. Birla, Mr. M. S. Aney, Raja Moti Chand, Mr. C. Y. Chintamani, Mr. Juggilal Kamlapat, Pandit Govind Ballabh Pant, Pandit Krishna Kant Malaviya, Captain Ram Chand and Pandit Govind Malaviya. Mr. Birla will be the Chairman of the Board.

It is said that the idea of forming this Company had struck Pandit Govind Malaviya and others only a few weeks ago and the necessary capital was subscribed and the preliminaries completed in a very short time, credit for which is being given mainly to Pandit Govind Malaviya. The Head Office of the Company will be at Benares and the Managing Directors will be Messrs. Gomalak Company, the partners of which are Pandit Govind Malaviya and Mr. L. S. Kapil.



THE INSURANCE & FINANCE REVIEW

Mng. Editor—Dr. S. C. ROY, F.E.C.S. (Lond.), F.R.E.S. (Lond.)

Editor—MONINDRAMOHON MOULIK

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Editorial

Bombay Osaka—Lancashire

We have been seeking protection against the menace of Japanese competition in a variety of commodities in the Indian market for some time past. The duty on Japanese imports of textiles into India was increased to 50 per cent *ad valorem* in August last with a view to checkmating the pernicious effects of exchange dumping, arising out of the depreciation of the yen, on the indigenous industry. Japan, far from being perturbed over this situation, carried on her trade with India and refused to submit herself to an isolated position in world trade. Japan has been bidding for mastery over the markets of the East, and her growing population, industrial efficiency and technological superiority placed her in an advantageous position for developing her foreign trade in that line. The Bombay magnates of our

cotton textile industry have repeatedly approached the Government of India for increasing protection and have also recently tried to create some public opinion in favour of such protection in Great Britain. The result was the passing of the Safeguarding of Industries Act in April last and the raising of the import duty to 75 per cent *ad valorem* early in June.

We have got what we wanted. But if we are asked to look at the thing dispassionately, we should inquire how far this mad rush for protection would offer real benefit to Indian consumers as well as to the industry itself. The policy of the British Government in encouraging higher protective duties for the textile industry is not very difficult to explain. It would appear to any careful observer that it is in the interest of British textile industry that the Government

have been obliged to show so much solicitude for the Indian industry. They have been encouraging preference by the back door. In addition to the already existing preference for British goods provided by the Ottawa Agreement, this preferential advantage would strengthen the hands of British manufactures in the matter of capturing the Indian market for textiles. The Report of the Special Investigation Committee of the Federation of British Industries, we believe, precipitated the step taken by the Government so half-heartedly. The following extract from a Reuter message dated June 1, 1933, betrays the serious concern which the British manufactures have felt over Japanese competition. It runs thus :

The report estimates that fifteen to twenty million people will be added to the Japanese population in the next twenty to thirty years, and only a fraction of it can be fed out of Japanese domestic resources. It is, therefore, inevitable that Japanese competition will become increasingly intense.

It is stressed that Japan is using every means in her power to undersell her competitors. Artificial silk and cotton textiles are not the only British manufactures to be affected. The Committee finds that there is also increasing Japanese competition in heavy chemicals, electric lamps, cycles, buttons, clip fasteners, cement, rubber, boots and shoes. The Committee advocates concerted action to safeguard British interests.—Reuter.

Thus the real intentions of Great Britain and the Government of India in this matter

will be clearly understood. But what concerns the people most is the condition whether the sacrifice of the consumers involved in the enforcement of a high tariff would in any near future help to stabilise the indigenous industry. Besides, the Indian cotton industry is so much old that it can hardly afford to call itself an infant industry. It has been enjoying protection for nearly half a century, yet it could not afford to face foreign competition in the domestic market far from developing an export trade in textiles. This high tariff can only be justified if the sacrifice on the part of the consumers be able to consolidate the particular industry which is sought to be protected. The static conditions of the management and industrial technique of the Indian industry have failed to keep pace with the dynamic conditions of the industry in those lands that are competing with our industry.

In spite of everything that has been said to underestimate the consequences of the abrogation of the Indo-Japanese Trade Convention in the trade relations between India and Japan, the danger of retaliation by Japan is somewhat real. If we analyse the Japanese exports of textiles into India and exports of Indian cotton into Japan even recently, we find that Japan is the biggest purchaser of Indian raw cotton and Great Britain is the biggest exporter of manufactured textiles. Thus, if Japan wants

to reliaite the Indian measure, she can easily place our export trade under some positive setback. In our zeal and enthusiasm for providing protection for the indigenous industry, let us not forget the fundamental canons of international trade, and let not our sense of patriotism blind ourselves to the economic consequences of an ill-conceived plan !

India's Sea-borne Trade

The import and export statistics of India for the twelve months ending March 1933, have many tales to tell. In the first place, the total imports, exports and re-exports have suffered languishment in value amounting to Rs. 268 crores as against Rs. 287 crores during the previous year—a declension of Rs. 19 crores or 7 per cent. During the period under review, the value of imports increased, as compared with the previous year, by Rs. 6 crores or 5 per cent. and amounted to Rs. 133 crores. The exports of Indian merchandise record a decrease of Rs. 23 crores or 15 per cent. while re-exports were down by Rs. 144 lakhs or 31 per cent. The figures are summarised here :

	TWELVE MONTHS, APRIL TO MARCH		Increase (+) or Decrease (—) in 1932-33 as compared with 1931-32.	
	1931-32 Rs. (Lakhs)	1932-33 Rs. (Lakhs)		
Exports	155.89	132.43	—23.46	—15.0
Re-Exports	4.66	3.22	—1.44	—30.9
Total exports	160.55	135.65	—24.90	—15.5
Imports	126.37	132.58	+6.21	+4.9
Excess of total exports over imports	34.18	3.07

Imports of gold, silver and other treasure have declined during the year by Rs. 428 lakhs to Rs. 299 lakhs. Exports of gold have increased by over six crores as compared with those of the previous year and imports of gold have decreased by nearly 1½ crores. The following figures show the comparative position in regard to the export and import of gold for two years :

TWELVE MONTHS, APRIL TO MARCH

	1932-33 1931-32		Increase (+) or decrease (—) in 1932-33 as compared with 1931-32
	Rs. (Lakhs)	Rs. (Lakhs)	
Gold imported	1.32	2.80	—1.48
„ Exported	66.81	60.78	+6.06
Silver Imported	1.63	1.12	—2.79
„ Exported	90	1.83	—93

Although India maintained her visible balance of trade during the year, the balance of remittances was adverse, and more adverse than during the previous year.

The contraction of the total volume of trade may be explained as partly due to the contraction in the total volume of world trade. India, as a single factor in international trade, suffered a loss in her foreign trade because of the boycott movement, higher tariffs and allied factors. It is a pity that due to changed conditions in the world demand for such articles as jute, rice, cotton, oil seeds etc., India's export market shrunk to an extent which increased the misery of the cultivating classes. Exports of Indian manufactured goods, such as textile manufactures to South Africa also suffered a decline.

The extent of such declension is indicated by a table given elsewhere in this issue.

Signs of the revival of trade are visible now to a certain extent, and the prices of some staple commodities have risen considerably. If we may count upon them as real indications of trade revival, we may hope that better conditions are just ahead of us. An embittered world oppressed by the feeling of uncertainty and depression are now looking forward with interest and optimism to the results of the World Economic Conference holding its in London session now. We may, with optimism, hope that the definite plans of action which will be agreed upon in London for the improvement of trade, industry and business all the world over will assure for us unfettered trade and brisk business operations.

June 9 to June 16

The week, June 9 to June 16, 1933, is being observed as Deshabandhu week all over India and has a national significance of considerable moment. Funds will be collected during this week from all people, and organisations, high or low, rich or poor, in order to build a monument at Shahnagar where his mortal remains were burnt to ashes. The Deshabandhu Memorial Committee which has been formed for this purpose with Mr. Santosh Kumar Basu, Mayor of Calcutta, as the Secretary, has made very elaborate arrangements for the collection of funds.

It is eight years since Deshabandhu Das

passed away in the midst of the most critical period of the nation's history. Of course, by the time the call of death reached his ears, he gave to his countrymen his political testament in the Faridpur speech and a comprehensive scheme of civic welfare enunciated from the Mayoral Chair which will long be accepted as the Bible of civic service emanating from the sovereignty of genius. To-day, therefore, when the nation bestirs itself to pay homage to the memory of Deshabandhu it only attempts to raise itself up to the level of his greatness. It is neither the time nor the occasion to appraise his services to the country nor is it necessary to-day to find out the essential ingredients in the make up of his genius. Suffice it for us to say that the spirit of resistance and the will-to-victory, which he has engendered in his countrymen at a time when a sneaking worshipping at the altar of some fashionable creeds became the order of the day, are two of the great legacies which he has left to his bewildered countrymen. In them Deshabandhu will live for ever. To-day Bengal is paying its homage of respect to one of her great nation-builders and an appeal has gone forth to her numerous sons and daughters to contribute their mite in perpetuating Deshabandhu's memory in a fitting manner. We add our voice of support to the appeal issued by our leaders of society and invite our countrymen to make Deshabandhu Week a success.

Poland's Struggle against the Crisis

(From Our Warsaw Correspondent)

It is a well-known fact that, when Poland was constituted an independent State after the war, this was largely done in response to the French desire that the eastern frontier of Germany should be exposed to a permanent menace. In order to give effective force to this decision, large sections of Germany's eastern provinces were incorporated contrary to the solemnly announced principle of national self-determination—with the newly created State. Scarcely fifteen years have passed since then; and it is already clearly evident that the violation of that principle, apart from being an unjustified arbitrary proceeding, has also proved a huge failure economically. If the frontiers of Poland had been drawn in such a way as to include nothing but purely Polish territory, the foundations for an amicable interchange of goods with the adjoining countries would have been laid. Instead of this, large numbers of national minorities of various kinds were incorporated with Poland. They make up 45 per cent of the total population, so that it is hardly possible to speak of Poland as a national State. As the minorities naturally desire to be re-united with their own national States beyond the frontiers and as the Polish Government is endeavouring to assimilate them as much as possible, there is an ever-present element of instability which, together with purely economic difficulties, constitutes a very grave danger to the continuity of the Polish State. This danger is increased by the consequence resulting from the aggressive

foreign policy of Poland, chiefly that directed against Germany, which—in the long run—cannot but jeopardise the peace of Europe and the world.

All these conditions have led to a continually growing deterioration of the standard of living. The country's foreign policy being what it is, it has been necessary for it to provide itself with an enormous military machine, the upkeep of which entails very heavy expenditure. The outcome is that but little provision can be made in the national budget for economic or cultural purposes. How great the national prosperity has declined may be gathered from the fact that the expenditure side of the national balance-sheet for 1933-34 closes with a total sum of 2,400 million zloty (about 250,000,000 dollars), whilst the total revenue is even less, *i. e.*, 2,000 million zloty. And after all, the population aggregates some 30,000,000. Notwithstanding this large contraction of the national resources, the Government does not see its way to reduce its enormous expenditure on the army, which amounts to something like 1,000 million zloty, or more than 40 per cent of the whole budget. No other country, not even highly-armed France, devotes so high a percentage of its budget to military expenditure; and yet, it would be less difficult for most other countries to do so, because—generally speaking—their economic conditions are far superior to those prevailing in Poland.

Poland's foreign trade has also immensely

shrunk in volume. Between 1929 and 1932 the value of the imports went down from 3,111 to 862 million zloty and that of the exports from 2,813 to 1,084 million zloty. There can be no doubt that a considerable part of this decrease is due to the country's intransigent commercial policy.

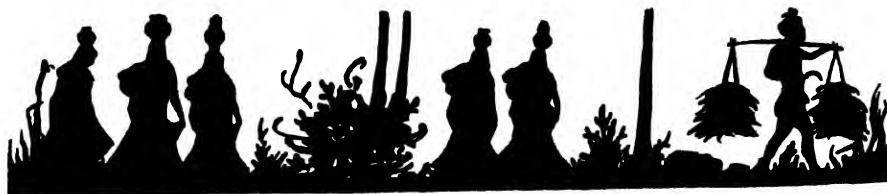
The output of Poland's manufacturing industries and the opportunities for the sale of her agricultural produce show an equally alarming decline. It must suffice to give one illustrative example: The sale of agricultural machinery in May 1932 had dwindled down to a level which was not even equal to 1 per cent of the business done in the corresponding month of 1928. In addition, the formerly flourishing industrial undertakings in the part of Upper Silesia seized from Germany are mostly shut down, only a few of them being kept open in order to deal with the few Soviet orders that reached them sometime ago.

The plight of Polish agriculture is so great that the possession of farmland is nothing but a burden and that, despite the heavy pressure exercised by the tax collector, it is quite impossible to earn enough to pay taxes. The attempts that have been made to sell farming estates by public auction have hopelessly failed, no buyers being forthcoming. Farmhands flock to the towns and cities, where they are equally unable to secure work.

It is but natural that conditions such as

these affect the cultural domain as well. The Minister of Education announced sometime ago that nearly half-million children will have to forgo instruction during the next educational year. As it is, cases in which a hundred children have to be taught by one teacher are not uncommon.

Another effect is that a wave of crime is sweeping the country. To many persons thieving has become a regular profession, no other source of making money being available to them. This situation has naturally tended to increase the ranks of the Bolsheviks and to augment the strength of the parties of the Opposition. The time appears to be approaching when Poland will be forced to use her huge army of 300,000 men—for the maintenance of which the whole nation has to make very considerable sacrifices every year—for the sole purpose of combating those of her own citizens who undermine the safety of the State. When that time has arrived, those politicians who set up the present Polish State will perhaps realise that they violated the true interests of Europe and mankind as a whole when—in drawing up the terms of the Versailles treaty—they allowed themselves to be guided by their anti-German sentiments and by their desire to inflict the maximum of misery upon Germany instead of listening to the dictates of justice and fair dealing.



Insurance Law and Practice

Some Interesting Problems

By SOHRAB R. DAVAR, Bar-at-Law,

Principal, Darar's College of Commerce, Bombay

(Special for 'The Insurance and Finance Review')

LIFE ASSURANCE

Early History

It is said that the origin of life assurance is "hidden in the mists of antiquity," though it is acknowledged by many authoritative writers that the first known founder of this branch of human activity was a Neopolitan, one Lorenzo Tonte. In England the earliest of this form of contracts can be traced to the reign of Queen Elizabeth and at that early stage they were in forms of temporary assurances covering the life for a limited period. The contracts were in those days entered into between private individuals, and societies or companies insuring lives were not known. At Common Law it was not illegal to wager on policies except where it amounted to an incitement to immorality or was contrary to sound policy. It became a common practice therefore to gamble in lives of well-known men and women in public and private life, the premium depending on the then known state of health of the life concerned. Bunyon in his treatise on the "Law of Life Assurance" gives an amusing illustration from an old case (*March v. Piggot*, 5 Burr 2803.) where two young "sparks" of the day (1771) one Mr. Piggot and the other Mr. Codrington after dinner at New Market agreed to "run their fathers" each against the other, which meant that each of the two "loving sons" betted on the chance of his

father dying before that of the other. Notes to that effect were exchanged. On the contingency happening (in fact at the time these notes were taken Piggot's father had actually died unknown to both the parties at 2 P.M. noon of the same day but that question was not at issue, the case came up before the famous Lord Mansfield, who has been rightly called the father of English Mercantile Law. The contract was upheld on the ground that here the intention was that "he who came first to his estate should pay this sum of money to the other who stood in need of it. That event had happened." This was put an end to by the Life Assurance Gambling Act of 1774 by which it is rendered illegal now to effect a policy on a life by a person who has no pecuniary interest in the said life at the moment of the time the policy is taken out. Even as the law stands to-day it is not necessary to prove pecuniary interest at the time the claim arises if it existed at the time the policy was effected. Gradually, Life offices came into existence and now the whole business of Life assurance has concentrated in their hands. They are either (1) Proprietary Companies of share-holders, (2) Mutual, *i.e.*, without share-holders but only made up of policy-holders, (3) Industrial, under the Industrial Assurance Act, 1923 or (4) Composite proprietary companies doing more than one branch of business.

GROWTH OF LIFE BUSINESS

It is said that after the close of the Great War life assurance business has grown to enormous extent. According to one authority the estimated total amount of life assurance in force throughout the world exceeds 36,000 crores of rupees and 75 per cent. of that huge amount is said to be in the hands of American and Canadian Life Assurance Companies. The funds which companies have to accumulate from the premium, for meeting claims as well as other reserves, are invested in concerns of public utility, such as municipalities, railways, mortgages, residential and other buildings as well as industries. One single American Company is said to have helped the building of residential quarters to accommodate 1,54,516 middle class families, and also to have helped the farmers of that country to the extent of sixty crores of rupees. It will thus be seen how far the material progress of a nation depends on its life assurance being effected within the folds of its own territory by indigenous companies. Every rupee taken out of a country by a foreign country is a loss to the nation, at least of the potential services of its capital, during the time the life policy is running its normal course. Again the life assurance companies in the West also carry on a health propaganda with a view to prolong lives and reduce child mortality. One single company is reported to have issued crores of pamphlets on this subject.

INSURABLE INTEREST AND PRINCIPLE
OF INDEMNITY

The one most important circumstance which distinguishes Life assurance from Fire or Marine is the question of indemnity and insurable interest. Life Assurance is not a

contract of indemnity and the assured has not to show that he suffered any pecuniary loss at the time the policy falls due, through the death of the life, or effluxion of time in case of an endowment policy ; all that need be shown is that the assured had an insurable interest in the life assured at the time the policy was effected. When therefore a person insures his own life, or that of his wife, or wife that of her husband, these questions do not arise, as a person is said to have an unlimited insurable interest in his or her life, and so have spouses in each other's life. These questions arise when, for example, a creditor insures the life of his debtor. The creditor has undoubtedly an insurable interest in the life of his debtor, and as such insures his life. If thereafter the debtor dies (1) without having paid his debt, but leaving sufficient estate out of which it can be paid by his executor ; or (2) dies having paid his debt, but the policy at the time of death is subsisting, what is the position created ? In the first case, *i.e.*, when the debtor dies without having paid the debt, the creditor recovers the policy amount from the company and still the debtor's debt not being discharged, can recover from the estate of the debtor whole of his dues. He is not obliged to set off what he received on the policy against the debt (*Humphrey v. Arabin*. 1 L. & G. 318). Here the point was that the debtor, who had no concern or right, or interest in the assurance, is not by the circumstance of its amount being discharged by a third person, to be exempted from the payment of his own just debt."

On the same principle when the debtor dies, as in the second case, after having paid his debt, but the policy was subsisting, the creditor can recover on the policy in spite

INSURANCE LAW AND PRACTICE

of his claim having been paid. Of course a specific contract to the contrary may place the position on different footing and in case the debtor by contract reserved an interest in the policy that would no doubt prevail.

In case of insurable interest what the law requires is that the same should be pecuniary interest, *i. e.*, the insured at the time he effects the insurance must be so interested in the life concerned that by its demise he stands to suffer a pecuniary loss. Thus though a parent has no insurable interest in the life of his child *qua* child, even for the money he spends on the child's education, because it is a moral and not a legal obligation, the difficulty can be got over by converting this moral obligation into one that is legal. If a father therefore, were to give a loan to his son by which he agrees to spend a specific sum on the latter's education and in return he undertakes to repay the loan from his future income, the father acquires an insurable interest in his son's life, which can be the subject-matter of life assurance. Of course the policy concerned in each of these cases should not be for a larger sum than that covered by the insurable interest.

THE PROSPECTUS

This little booklet which every Life Office issues is of considerable importance to all interested in Life Assurance contracts. The books are no doubt primarily issued for the use of the Company's Agents, but are also handed to prospective customers for reference on various points in which they are interested, and thus serve in good many cases as the basis of negotiation of the ultimate contract. There are certain heads of considerable importance, which it is proposed to deal with here.

THE BONUS

The most popular forms of policies of modern times, and no doubt the most advantageous from the standpoint of the assured are, what are known as "Participating Policies." Here the idea is that the assured would receive an interest in the profits made by the company which are to be periodically declared and paid as arranged. No doubt here a slightly higher rate of premium is charged, but in spite of that, this class of policy holder is at an advantage, because while the actuary calculates the profits and the bonuses arising therefrom, he includes therein the surplus profits arising not only from the participating policies but also that from the non-participating group. The bonus is at the option of the holder, either paid in cash, or utilised towards the reduction of future premiums, or added to the capital sum insured. The usual actuarial calculation is made once in five years, but interim bonuses are declared yearly in good many cases. Some old companies with large accumulated funds go so far as to guarantee a minimum bonus.

INDISPUTABLE POLICIES

It is also the practice of modern companies to insert under the heading "Indisputability" the statement that the policies are indisputable after the expiry of a fixed period, say two or three years. In case of the Sun Life Assurance Co.'s Prospectus, the wording is "During the first two years of existence of each policy the Company reserves the right to object in each case if any misrepresentation has been found in the statements contained in the Application, but after the expiry of that term, the assurance becomes absolutely indisputable." The age must be proved. Here no reservation is kept even in case of

fraud, whereas in case of companies, like the Oriental, policies are made indisputable in all cases except fraud.

UNCONDITIONAL POLICIES

Some companies also issue what are known as "Unconditional Policies", *i. e.*, policies which impose restrictions whatsoever on the actions of the assured after the policy is issued, thereby entitling the policy-holder to complete freedom of action. The Sun Life is one of those companies, and lays down that these policies protect the policy-holder from "the possibility of invalidating his policy by breaking ambiguous conditions some of which he may not even understand." Of course these unconditional policies are not indiscriminately issued, but the past record is carefully examined, and the future intention as to removal in unhealthy climate or transference in hazardous occupations is ascertained before agreeing to this arrangement.

The above two forms are the result of practical hardships caused in the past through the strict rules of common law applying to warranties and representations as applying to this form of contracts. Many companies have already altered the form of questions usually asked in the proposal form to be assured, and have also reduced their number. This is a policy of business because what an insured is most anxious about is security *i. e.*, he does not want a policy which can be avoided by the company on a mere technicality, particularly after his death. He, therefore, prefers a company which gives that security in preference to that old fashioned die-hard type, which sticks to old dogmas. If the answers are to be given in the form of positive statements, the assured stands the risk of getting his policy avoided through a chance error of statement, or an unintentional

suppression of some facts, which though the insured may not consider material from a common sense point of view, may be held at Law to be material on technical grounds. The idea, therefore, is that the insurers agree that the policy shall be indisputable, which of course means that unintentional errors, misrepresentation, omission or mistakes are not to be set up, but that would not cover fraud in any case, on the ground of public policy. Even a wagering policy, *i. e.*, one without insurable interest, though made indisputable, has been held to be void on the same ground. The usual form in which this clause appears is :—

"That every policy issued by the company shall be indefeasible and indisputable, and the fact of issuing the same shall be conclusive evidence of the validity of the policy ; and it shall not be lawful for the company to delay payment of the money assured thereby on the ground of any error, mistake, or omission, however important, made by or on the part of the person or persons effecting such insurance : and that, on the contrary, the amount so assured shall be paid at the time stipulated by the policy, as if no error, mistake, or omission has been made or discovered."

It may be added here that when a policy is declared void on the ground of fraud, the company is entitled to bring an action to have the same delivered up to be cancelled. (*Barker v. Walters*, 8 Bear 92). There is of course no right in the defrauding assured to claim the return of premium here, because the policy was set aside on the ground of fraud, and though it was void *ab initio* (*Chapman v. Fraser*, 1, Parke 456). In other cases, the premium would have to be returned, of course where the policy has not begun to run. If it has, and the policy becomes void thereafter through no fault of the Assured, no part of the premium is returnable.

(To be concluded).

The Cotton Mills of Bengal and Their Future

BY PROF. THAKUR BHIALACHANDRA BANERJEE M. A.

Formerly of Santiniketan College, Visva-Bharati.

It is a matter of great pity that Bengal which was once noted throughout the world for her fine fabrics, is dependent for her cloth supply on other provinces. The handlooms of Bengal were in a very flourishing condition at one time ; and even now, the weavers of Dacca, Farashdanga, Santipur are producing fabrics of superior quality. The fact is that though the handspinning has died out, handloom weaving as an industry still persists, even against keen competition of machine-made goods. And this very fact is sufficient to prove that this industry, if properly managed can be made more profitable, both to the weavers as well as to the consumers. I shall have to refer to this industry again in connection with the future of the cotton mills of Bengal, where we shall see the various advantages of this industry, as compared with the mill industry.

The first mill to start work in India was the Bowreah Cotton Mills near Howrah which is managed by a British firm. It was opened in 1818. The first Indian mill was started in 1854 and it was in Bombay. It was only after the Bengal partition movement, that the first Bengali mill was started and that was the Bengal Luxmi Cotton Mills Ltd. Then after a few years came the Mohini Mills Ltd. The *Swadeshi* movement gave the impetus which has been strengthened by the non-co-operation movement and the boycott of foreign goods, but it was only very recently after protection has been granted to cotton

mill industry that a number of new mills are being started.

In Bengal jute, tea and coal received greater attention of the financiers and business men and this is due to the fact that the exports of these articles were very profitable as there was a ready market for these products in foreign countries.

The East India Company at first encouraged Indian industries, because they made huge profits by exporting Indian finished goods. But this was opposed to the interests of the British commercial public ; and by the pressure of the British Parliament, the Government of India had to adopt the policy of encouraging the exports of raw materials mainly for the British manufacturers. Thus the foreign capitalists took to those industries, and the industries which were necessary to cater for the needs of the people were neglected. We all know that the foreigners were the pioneers in every line of manufacture and as such no cotton manufacturing industry developed in Bengal till recently. Bombay and Ahmedabad are favourably situated so far raw cotton is concerned ; added to this is the financing facilities there, and these have made those centres the chief seat of the cotton mill industry.

A little more than about three dozens of cotton mills have been registered in Bengal, out of which only about a dozen are working. The others are on the register—they have

not been able to raise sufficient capital to begin working. Only a few mills have spinning departments, the rest are mere weaving sheds, working with Indian and foreign yarns. Barring one or two mills all the others have taken to the weaving of coarse stuff. One other peculiar feature of Bengal mills is that most of the mills are owned and managed by the Bengalis, but the sole-selling agents are mostly Marwaris and Bhatias. As regards the location of the mills we find that there is a tendency to construct mills in every district of Bengal. Of course the mills that are working at present are situated in the neighbouring districts of Calcutta. But Dacca, Narainganj, Chittagong, etc. possess some advantages over Calcutta. The advantages of Calcutta over mofussil centres lie in her credit and transport facilities, in her facilities to import raw cotton at cheap rates and in her possession of a central market. But the mofussil centres have plentiful and cheap labour. Chittagong, Tipperah, Hill tracts, Dacca are the homes of innumerable skilled weavers, who can be trained and employed at cheap wages. Chittagong, Comilla, Garo Hills are cotton-growing districts. Much cotton grown in these places is exported from Chittagong port. If mills are opened in these districts they will stop the exports and give an impetus to cotton growing. The weavers are the customers of the mill-made yarn. So if the mills are situated near the weaving centres they can get a ready market. Though many mills are being started in Bengal, the development has not yet been commensurate with the demand. The normal needs of Bengal with a population of 5 crores would be about 67·5 crores of yds. of cloth, the average consumption being 13·4 yds. (during the last

25 years). The value of the cloth required for Bengal alone would amount to more than Rs. 16 crores of rupees at 4 as. per yd. on the average. If we study the figures of imports of yarn and piece-goods into Bengal, we shall be in a position to estimate the possibilities of the expansion of cotton-mills in Bengal.

IMPORTS OF PIECE-GOODS INTO BENGAL

	Million yds.	Rupees in crores.
1926-27	887	24·6
1927-28	990	25·2
1928-29	843	21·1
1929-30	857	20·3

From these figures it is evident that on the average Bengal imports annually 85 crores of yds. of piece-goods, valued approximately Rs. 20 crores. The value of annual production of the Bengal mills comes to about Rs. 1 crore. We have seen that Bengal requires cloth valued Rs. 16 crores. The remaining Rs. 5 crore worth piece-goods are meant for the neighbouring provinces of Assam, Bihar and Orissa which depend on Bengal for the supply of cloth. It can be safely said that there is room for more than 100 mills to supply Bengal market.

The imports of yarn also are not negligible. About 12 million lbs. of yarns are imported annually, the value of which is roughly about Rs. 1½ crore.

Now comes in the question whether Bengal has any potential advantages about cotton mills. Some people are of opinion that Bengal's advantage lies with jute, tea and rice. She should concentrate on the production of these agricultural products and not take to manufactures. But we shall presently find that she has many advantages

over the other parts. The first thing that strikes us is that there is a big market for cotton cloth and for yarn, ready at hand. Five crores of people are to be clothed not only that there are a number of handloom weaving centres requiring yarn. Next comes the question of labour. Labour is not only plentiful in Bengal it is cheaper too, than Bombay and Ahmedabad. They can be trained up easily in the industries as in almost every district there are skilled weavers. So far as the source of power is concerned Bengal has greater advantage in coal, than in Bombay and Ahmedabad. The chief advantage of the Bombay and Ahmedabad over Bengal is that the mills in those parts get plenty of raw cotton near at hand, whereas the Bengal mills have to import them either from Bombay or from South Africa and Egypt, because she cannot just at the present time produce all the cotton she requires. If the Bengal mills depend on Indian cotton for spinning they will have to bear the railway freights. And in this respect Bombay and Ahmedabad gain advantages over Bengal. But if instead of Indian cotton, the Bengal mills buy South African and Egyptian cotton, they will be gainers. Because so far as freights are concerned Calcutta is favourably situated. Not only that, South African cotton is cheaper in price ; and for fine spinning, Egyptian cotton the best. Of course, with the growth of mills in Bengal, there will be a steadily increasing demand for cotton, and this will give an impetus to cotton growing. Chittagong, Tipperah, and Garo Hills have suitable soil for growing cotton, and as a matter of fact much cotton is grown there and is exported to foreign countries through Chittagong as we have already noticed. It should not be

forgotten that Muslin was manufactured out of Bengal cotton. And there can be no reason why cotton of the same quality will not be produced again. Bombay and Ahmedabad have advantages over Bengal, in capital and credit facilities. Bombay Presidency is richer than Bengal as she is inhabited by rich Parsees, Bhatias, Gujratis — whereas the majority of the people of Bengal are poor agriculturists. Capital and credit facilities are rare. Lack of confidence, poverty and shyness of capital all have gone together to make it impossible for raising adequate funds for the limited companies. And unless faith is restored, joint-stock business has no very great prospects. But if one or two joint-stock concerns can be run successfully — there is hope for the revival of the limited companies. For the present private companies or partnerships are the only kinds of organization which has any future. Not only capital, credit facilities are to be increased and for which, special types of banks are necessary ; but, so long as these do not come into existence, the district loan offices and other provincial banking institutions should come forward to invest and to lend money, of course, with proper caution. This can be done by the hypothecation of the mill machinery or products.

With regard to climate, Bengal's position is superior as she has got a humid climate which is favourable to spinning. Another factor which we have noticed before, requires a little more elaboration and that is the handloom weaving industry. The handloom weaving employs a large number of people. It stands by the agriculturists as a spare-time employment, in slack seasons. It has got also a tradition and reputation behind it. The

industry is still holding its own against machines, and if properly run offer an increasing market for mill-spun yarn. And if the mills do not directly compete with the goods of the mills but try to specialize in those departments, in which the machine has peculiar advantages, the handloom industry will be prosperous. The handloom industries should be encouraged from two standpoints. First, there are certain lines of production in which handlooms are superior, *e.g.* they can offer better things, better designs and better fabrics, in these lines the mills cannot prove very successful. Because the handloom weaving is a spare-time employment and because there is the scope of employment of women and children and is carried on amidst congenial surroundings—the cost of production is very low. Not merely cheapness and fineness, but ready adaptability to varying demands and changing tastes gives the industry an additional advantage over cotton mills. Thus this industry has possibilities, but it should not be competing with mills. The sphere of activities must be separate. One should supplement the other, which will ultimately be beneficial to the community, by providing new avenues of employment, more enjoyable goods of various designs, better purchasing power of the people, cheaper prices and stabilization of the rural life.

Spinning and weaving of grey goods, *i. e.*, longcloth, twill, etc. should be done by the cotton mills. Dhuties and sarees of medium quality may also be done by the powerlooms. Handspinning cannot be a profitable occupation, which leads to a wastage of human energy and has no future. Handloom weaving, on the contrary if it attempts to supply plains, *i. e.*, Dhuties and sarees of finer stuff and of better designs, in which

greater attention of the worker is necessary, is destined to prosper. Of course, if the handlooms are equipped with new and improved materials and are driven by electric power—they have still brighter future. The revival of this industry may go a long way to revive the village, to remove the problem of middle-class unemployment.

The Bengal mills so long were moving in a wrong direction but now it seems most of the new mills have been able to detect the mistakes. The mills have laid undue emphasis on weaving, instead of spinning. As a result they had to depend either on Bombay yarn or on foreign yarn. So they could compete neither with Indian mills nor with Japan. The idea of developing weaving came from the motive of attracting capital. The idea was this that if the mills could produce cloth for the market, the position of the mills would be raised in the estimation of the public and they would be able to raise adequate share capital. Though temporarily this policy has done some good, the consequence has been harmful. The other mistake has been the weaving of coarse cloth instead of fine or medium quality. In dealing with coarse stuff, they had to suffer keen competition from Japan as well as from other Indian mills.

The future of Bengal mills lies in developing spinning both fine and coarse, and in laying stress on weaving those things, which cannot be profitably taken up by the handlooms, *e. g.*, grey goods. They should also develop side industries, by utilizing waste yarns, *e. g.*, the production of umbrella cloth, production of lint, crochet cotton, hosiery, etc. They can also develop dyeing and bleaching sections which offer great scope. The consuming public in Bengal is keen on

having better goods and so the mills should try to specialize on better quality goods. Then again each mill should specialize in one or two branches, so that there will be no cut-throat competition. I think, I have been able to make my views clear on the point of the future of cotton textile industry. Power-spinning always, and handloom weaving whenever possible should be the guiding principle of the textile industry in future.

The other difficulties of Bengal mills should also be noticed in order to make the article a comprehensive one. The difficulty of getting technical experts is not a very acute one—because experts can be got with money from foreign countries. The real difficulty is to get industrially bent workers, *i.e.*, persons who are temperamentally fit for factories. Bengal has not yet been highly industrialized and as such the attachment to home, idleness, love of leisure have yet a great hold on the people. And so Bengal has to depend on Madras, Bihar and Orissa for her labour. But this problem can be solved by training up people from the lower middle class as apprentices in the mills. The housing arrangements and welfare schemes are also to be taken up to attract workers and to make them contented.

Another difficulty is the want of good selling organization in Bengal mills. The sole selling agencies are in the hands of Marwaries and Bhatias, who reap middlemen's profits by financing the mills. But these people have very little contact with the consuming public. Neither do they care for the tastes and wants of the consumers. Modern developments in the science and art of publicity and salesmanship are unknown to them. They cannot develop the potentialities of markets. Neither they understand

the requirements of Bengal. This organization requires a thorough overhauling and offers scope for better-equipped men. It is salesmanager who ultimately controls production and price. And unless his estimates are based on facts and figures, unless his informations are correct and unless he can properly cater for the consuming public the mills cannot be run profitably. Bengal wants more commercial experts than technical experts. By commercial experts, I mean, those people who know the process of manufacture and the costs who have a thorough knowledge of markets for goods and of raw materials, in short, who have a wide outlook. Increased production is a matter of technique, and that cannot sustain a manufacturing industry, unless it can compete in price with similar goods in the market unless the things find a market. So the study of market conditions, competing articles, etc., are very important. But those have so far been neglected.

In bringing this article to a close I should like to mention that one hopeful feature about the Bengal mill is that the majority of the mills are owned and managed by the Bengalis. We have seen that this industry has great possibilities and if it is well established Bengal's unemployment problem will to some extent be solved. With the growth of mills many side industries will spring up to supply the mills with various kinds of minor equipments giving employment to a large number of people. The main defect of Bengal's economic position is that she depends on jute, rice etc. Industrial development will go to relieve the situation. Another thing should be pointed out, and that is the training of apprentices. In this matter the mills should always encourage young men. Ultimately this will do the mills a great good.

In encouraging handloom weaving mills will not be losers in the least, if they specialize in spinning and weaving of goods of other qualities. On the contrary, they will be gainers. A market for their yarn will be assured. The mills can also get a commission

by arranging for the marketing of the goods of the handlooms. The development of the handlooms depends on the mills and that of the spinning mills depends greatly on handlooms.



Thirty-five Years of Indian Economic Thought, 1898-1932

By SHIB CHANDRA DUTTA, M.A., B.L., B.C.S.

(Continued from the previous issue)

The period from 1906 to 1913 was marked by the thoughts on the Swadeshi (Industrialization) Movement in Bengal and elsewhere. A chief centre of economic thinking on the Bombay side was the Servants of India Society (Poona) founded by Gopala Krishna Gokhale. The leading economic journal of the time was the *Journal of the Indian Economic Society* (Poona).

On the Bengal side the Dawn Society and its *Magazine* continued to function until 1913. To the inspiration furnished by this Society Bengal owes not only a number of researchers in economics, history and sociology but also a first class institute for higher technical education (College of Engineering and Technology, Jadavpur, near Calcutta) as well as pioneers of modernized industry and commerce.

The Government Commissions of the period can be seen as follows :

1906. Assam Labour Inquiry Committee : Report.

1908. Indian Factory Labour Commission : Report.

1908. Mackay Committee on Indian Railway Finance and Administration : Report.

1910. Sanderson Commission on Emigration from India to the Crown Colonies and Protectorates : Report.

1912. Atkinson-Dawson Committee on the Employment of Technically Trained Indians : Report.

1913. Chamberlain Royal Commission on Indian Finance and Currency : Report (1914).

The output of economic thought for all India is described below, as usual, of course, by no means in an exhaustive manner :

1906. Mukerjee N. G. *Suggestion on the Improvement of Silk Reeling in Bengal.*

1906. The Dawn Society Pamphlets : —

1. *How to Start Industries with Small Capital.*

2. *Swadeshi Articles exhibited at the Industrial Exhibition, Benares.*

3. *Weaving and Spinning Cotton Mills of India.*

1. *Principles of the Swadeshi Movement.*

1906. Mukerjee, S. C. — "The True Character of Boycott in Bengal" (*D. D. S. M.*)

1907. Das, K. N. — "Competition with Foreign Sugar" (*Prabasi*, Bengali monthly).

1907. Ghosh, Rabindranarayan — "The Houses We Live In" (*D. D. S. M.*)

1907. Sarkar, Benoy — *Swadeshat-Seraki* (The Servants of the Country) (in *Narya-Bharata*, Bengali monthly).

1907. Sen, G. K. — *Dhann-rizwan* (Science of Wealth) in Bengali.

1907. Tagore, S. N. — "Ambika Charan Ukil" (in *Co-operator*, Calcutta).

1908. Coomaraswamy, A. K. — *Medieval Sinhalese Art.*

1908. Chatterjee, A. C. — *Notes on the Industries of the United Provinces.*

1908. Dutta, D. — "Jute" (in *Prabasi*).

1908. Guha, S. C.—“India as a Maritime Power” (*D. D. S. M.*)
1908. Gupta, G. N. —*The Industries and Resources of East Bengal and Assam.*
1908. Sarkar, A. B.—“Fruit Canning” (in *Prabasi*).
1909. Coomaraswamy, A. K. —*The Indian Craftsman.*
1909. Metha, P. N. —*Survey of the Handloom Industry of the Bombay Presidency.*
1909. Sarkar, J.N.—*Economics of British India.*
1909. Taleherkar, V. A.—*Our Mill Hands and the Factory Labour Agitation*, a pamphlet.
1910. Ghosh, H. H. —*Advancement of Industry.*
1910. Sarkar, Benoy—*Economics.*
1910. Wacha, D.E.—*A Financial Chapter in the History of Bombay.*
1911. Aiyangar, S. K.—*Ancient India*, economic and financial institutions of the South.
1911. Ghose, S. C.—*Indian Railway and Indian Trade.*
1911. Latif, A.—*The Industrial Punjab.*
1911. Law, N. N. —“Census in Ancient India” (*Modern Review*).
1911. Mookerji, N. C.—*Artha-shāstri O Artha-byavahar (Economics)* in Bengali, second edition, first edition in 1875.
1911. Mookerji, R. K. —*History of Indian Shipping from the Earliest Times*; “Small Industries” (*Modern Review*).
1911. Ray, S. C.—*Rural Reform.*
1912. Datta, K. L.—*Report on the Rise of Prices in India.* 5 Vols.
1912. Kale, V. G.—*Indian Economics.*
1912. Mukerji, N. G.—*Handbook of Science.*
- 1912-16. Sarkar, Benoy—Bengali translation of the historical Section of Fredrick List’s, *Das Nationale System der Politischen Oekonomie* published as articles in *Grihastha*, *Prabasi*, *Upasana*, *Prabhati* and other monthlies, Calcutta (as Book in 1932).
1912. Sarkar, Benoy—“Economic Tendencies of the Bengalis To-day” (*Grihastha*, Bengali monthly).
- 1912-13. Sarkar, Benoy —English translation of *Sukraniti* (Hindu Politics, Economics and Sociology).
1912. Sarkar, Benoy —“The Prevention and Cure of Poverty” (in *Grihastha*), “The Zamindars of Bengal” (in *Grihastha*).
1913. Das, N. C. “Agricultural Education in Schools” (*Grihastha*).
1913. Jayaswal, K. P. —*Introduction to Hindu Polity*, financial sections (*M. R.*)
1913. Banerjee, P. N. —*Introduction to the Study of Indian Economics.*
1913. Dey, M. N.—“Tassar Silk Industry” (*Grihastha*).
1913. Kale, V. G.—*Indian Industrial and Economic Problems.*
1913. Samaddar, F. N. —Bengali translation of Kantiliya’s *Arthashastra*.
1913. Samaddar, F. N.—*Arthamiti* (Economics) in Bengali.
1915. Sarkar, Benoy—“Bengali translation of the American *Up from Slavery* by Booker Washington (economic and social conditions at well as technical education).
- 1913-14. Sarkar, Benoy—*The Positive Background of Hindu Sociology*, Vol. 1. (The Data of Ancient Indian Mineralogy, Botany and Zoology.)
- A signal feature of the war-period (1914-18) was the work of the Indian Industrial Commission which sat in 1916 and reported in 1919. It was in 1916, again, that the Indian Economic Association was established as an

association of University men. The first number of the *Indian Journal of Economics* came out likewise during the same year. Since then annual economic conferences of University men have been a regular feature of Indian academic life.

The two Commissions of the period are described below :

1916-18. Indian Industrial Commission : Report (1919).

1918. Royal Commission on Indian Constitutional Reforms (Montagu Chelmsford): Report.

For this period the output is as follows :

1914. Law, N. N.—*Studies in Ancient Hindu Polity*, economic and financial.

1914. Mukerjee, R. K.—“Who is the land owner ? —the Peasant or the Zaminder” (*Grihastha*).

1914. Ray, R. T.—“Decline of the Silk Industry in Bengal” (*Grihastha*).

1914. Sarkar, Benoy—“The Economic Development of Spain and Portugal,” “The Industry and Commerce of Holland” (*Grihastha*).

1914-15. Sarkar, Benoy—*Vartaman Jagat* (Modern World) in Bengali, Volumes on Egypt and the Great War : economic chapters.

1915. Dey, M. N.—“The Investigations at the Sericultural Institute, Pusa” (*Grihastha*).

1915. Gangoly, N. N.—*Grievances of the Tenantry in the Province of Agra*.

1915. Guha, A. C.—*A Brief Sketch of Land Systems of Bengal & Behar*.

1915. Neogy, P.—“Agriculture in Economic Bengal” (*Grihastha*).

1915. Ray, S. C., compiler.—*Agricultural Indebtedness in India and Its Remedies : Selections from Official Documents*.

1915. Ray, S. C., compiler—*Land Revenue*

Administration in India, The Permanent Settlement in Bengal.

1915-16. Sarkar, Benoy—*Vartaman Jagat* (Modern World) in Bengali : volumes on Great Britain and Ireland : Economic chapters.

1915. Sarkar, Benoy—“The Industry and Trade of Russia” (*Grihastha*).

1915. Shamasastri, R. English translation of Kautilya's *Arthashastra* (Hindu Politics and Economics).

1915. Wacha, D. E.—*Life and Work of J. N. Tata*.

1916. Ayyar, V.—*Town Planning in Ancient Deccan*.

1916-18. *Indian Journal and Economics* established at Allahabad.

1916. Jain, P. S.—“Pauperism in India” (*Indian Journal of Economics*).

1916. Kale, V. G.—*Gokhale and Economic Reforms*.

1916. Lal, M.—“Thoughts on India's Economic Position” (*I. J. E.*)

1916. Law, N. N.—*Notes on the Commerce and Industries of Bengal* (Industrial Commission).

1916. Mukerjee, R. K.—*Daridrar Kran-dan* (The Cry of the Poor) in Bengali, *The Foundation of Indian Economics*.

1916. Mukerjee, P.—*The Co-operative Movement in India*.

1916. Rai, L.—*Young India ; economic interpretations*.

1916. Wattal, P. K.—*Population Problem in India*.

1917. Balkrishna—*Industrial Decline in India*.

1917. Banerjee, P. N.—*Public Administration in Ancient India*.

1917. Ganga Ram—*The Agricultural Problem of India*.

1917. Shastri, H. K.—*Fiscal Administration under Early Cholas.*

1917. Tannan, Mohan Lal and Shah,—*Indian Currency and Banking Problems.*

1917. Venkateswara, S. V.—“Mughal Currency and Coinage” (*I. J. E.*)

1918. Aiyangar, K. V. R.—“The Indian Fuel Problem with special reference to South India” (*I. J. E.*)

1911. Balkrishna—“Economics in Ancient India” (*I. J. E.*)

1918. Chhajee, J. C.—“Some Lines of Co-operative Progress” (*I. J. E.*)

1918. Ghose, S. C.—*A Monograph on Indian Railway Rates* “Vartha or Hindu Economics” (*Indian Antiquary*).

1918. Majumdar, R. C.—*Corporate Life in Ancient India.*

1918. Matthai, J.—*Village Government in British India.*

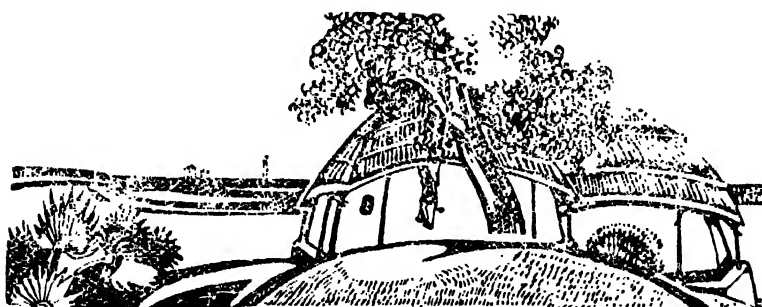
1918. Mookerji, R. K.—*Local Government in Ancient India.*

1918. Pagar, S. M.—“Indian Income Tax” (*I. J. E.*)

1918. Reddy, E. V. S.—“Distribution of Agricultural Holdings” (*I. J. E.*)

1918. Sarkar, Benoy—“The International Fetters of Young China,” a study in foreign finance (*Journal of Race Development, U.S.A.*)

(To be continued.)



A Plea for the Regulation of Banking Practices in India

By N. L. NANDY, M.A., C.A.I.B. (Lond.)

The Banking system is one of the main pillars on which the present day economic structure in any country rests. Machinery of production and distribution being very complex now, the way they are handled has a very far-reaching effect on the economic welfare of the country concerned, and the large scale organisation of production and distribution, dependent as they are on the supply of credit from banks, are much affected by the policy underlying the banking system.

India is perhaps the only country in the world where we find foreign banks enjoying the position as they do here. In the latest available statistics of banks in India we find that of bank deposits amounting to Rs. 249,70,89,000 the foreign banks hold Rs. 68,11,41,000. Really, they are a power in the money market and they dictate their own terms to the Indian exporters, but in other countries foreign banks are almost non-entities in the money market. Bills of exchange that bear no endorsement of an English bank are difficult to discount in the London market. The pernicious system under which our staple products are exported in raw or semi-manufactured conditions to pay for the finished goods imported would have been non-existent if these foreign banks never rose to their present supreme positions. Most of the funds that enable them to maintain this influence are collected in this country. Mr. N. R. Sarker in his note of dissent to the Report of the Central Banking

Enquiry Committee has shown that the working capital in India of the foreign banks (non-British) is to a certain extent made up of funds drawn from their country of origin. But the British Banks carry on their business with the funds raised in this country.

We should not infer from above that banking activity is a recent development in India. History shows that many centuries before banking was an accomplished fact in England there existed in India a banking system eminently suited to her requirements. In the period as late as 5th. century B. C. we can find definite evidences that remittances were sent from one place to another by means of credit instruments or by cash and that the system of money lending was in vogue.

In the 17th century when the English traders first came in this country the East India Company expressed their desire that those traders should avail of the banking facility as purveyed by the indigenous bankers and they discouraged the establishment here of branch offices of English Joint Stock Banks. But the English traders found the indigenous banking system unsuitable. The system that developed late in India was the deposit banking and even at present, many indigenous bankers do not accept deposits. In England it began about 1645, and in this respect she now excels every other country. The indigenous banks in the earlier periods not only could not adopt the deposit banking but on the other hand lost much of the

business and with it the prestige they enjoyed. The incessant wars that were carried on during the Moghul rule, the discovery of new trade routes in this country after the advent of the English traders and the unifications of coinage in 1835 were some of the other causes that affected the business of those banks. The earliest of the present Indian Joint Stock bank, the Allahabad Bank, now under European management, was established in 1875. We are so left with the Punjab National Bank, established in 1895, as the earliest Indian managed Bank functioning at present. Activity in Indian Banking began since 1906. Of the foreign Banks some were established here earlier than the existing Indian managed banks but they all have older traditions and experiences and bigger resources. The belief that prevailed until recently that anything branded European was *ipso facto* better, contributed to establish greater confidence in foreign banks. Moreover, the news and consequences when a foreign bank suspends payments do not reach the ears of many of the local people. When an Indian Bank does the same the news become known to many in a magnified form.

It looks really strange why the people should have more confidence in a foreign institution which does not publish a balance sheet for the business done here and about whose directorates the people in general know less than in an Indian institution about which more information are available. This psychology must be changed, and this change is as necessary as any regulation conceived for the thriving of the banking industry in this country. Banks depend for resources on their deposits. If the depositors be timid and get nervous at every rumour

the banks are necessarily compelled to maintain a heavy amount of till money and consequently they can not prosper as might be desired. It is not enough to legislate penal clauses for credit wreckers but the public must be sufficiently enlightened to use wiser discretions.

The growth of mushroom banks is a fruitful source of danger to the banking development. Banks are established with a very huge sum as authorised capital but they start with an insignificant amount as paid-up capital. Provision of registration fees on graduated scales not being sufficiently deterrent, it must be made compulsory by new law that banks should not be able to commence business unless their paid-up capital comes upto some fixed proportion of the capital authorised. Further, provision is necessary for a more rigid scrutiny of the proposed board of directors and managers. Looking at the other side we find many deserving small credit organisations groaning under the weight of income tax. Taxes are levied at the maximum rates on the companies with limited liability. If taxes at rates charged on the income of individual persons are levied on such companies it will remove an obstacle in their way of expansion. Similarly, laws regarding transfer of real property need be modified to enable banks to get speedy realisations of loans advanced against real properties. This is not to be taken as an encouragement for advances against landed properties, it is only a step towards speedy recovery of advances made. As a safeguard against abuse of these privileges a limit should be put on such advances made, and banks would be prohibited from lending against real properties in excess of the amount of their paid-up capital.

Foreign Banks will likewise be prevented from carrying on their business unrestrainedly as at present. They would be required to take out licenses before commencing business. These licenses like the certificate to commence business for Indian institutions would only imply preliminary investigation as to the fitness of an institution to commence business. They are no guarantees on the integrity of the prospective managements. Restrictions are also necessary on the borrowing powers of these foreign institutions and they would be required to publish balance sheets for their business done here. It is not desirable that they should open branches in the interior parts of the country, nor should they be allowed to secure controlling interests in similar Indian institutions. As they are handling a considerable amount of Indian deposits they must have at least one Indian gentleman on this Board of Directors. As an example of their disregard for Indian depositors we may look to the evidence of Mr. S. N. Poehkhanawala wherein he says that these foreign banks take deposits from Indian Banks but they never allow these Indian Banks a single rupee without security although they carry on a big volume of inter-bank business of similar nature. This sort of attitude is really revolting.

These foreign banks do not accept insurance policies even when issued by first class companies. In this way premium incomes lost to Indian companies have been estimated at over Rs. 2 crores of rupees a year. A remedy to such an attitude is necessary. Provision is also desirable that first class Indian Banks must have the right of membership to any association that these foreign banks may form here. So strong

is the feeling against the predominant position secured by these foreign banks and the policy they pursue that it would be in the interest of depositors not to deposit money with them.

Advancement of Indian Banking requires that banks should be protected against malicious attacks on their credits. And bear raids on bank shares should be stopped by making invalid contract of sale of bank shares unless in those contracts the number of shares to be sold are specified. Institutions carrying on banking business should be prohibited from engaging in other trades and managing agency system should be abolished from banking business. The Managing Agents may lock up the banks funds in their own concerns and by their influence carry such transactions through the Board of Directors. They may inflate the credit of the banks by artificial means just to secure their own ends.

For a limited company its paid-up capital is some measure of the position it can command. Shares can be issued for cash or for considerations other than cash. And cases are not unknown where managing agents have issued shares against unsubstantial considerations just to inflate the credit. Provisions are necessary in company laws, for the building of the reserve fund and distribution of dividends. Here the directors might face a thorny problem. If profits are transferred to the reserve fund and dividends are not declared the value of the shares are likely to fall in the market and that will affect the credit of the institution. If dividends at a high rate are declared and the reserve funds are neglected vital injury would be done to the institution. On the whole the wiser counsel is to restrain company's power to

declare dividends so long as they can not build a reserve fund equal to the amount of paid-up capital.

In the balance sheet of a bank clearer informations as regards advances made are desirable. Provisions made for doubtful debts should be shown and advances should be shown after writing off bad debts. For amalgamations in the balance sheet the branch office figures need not be audited in accordance with the law as it stands at present. This is an undesirable feature and returns from branches should be audited by auditors practising at the place, and if there is none then by an auditor practising at the nearest place.

In addition to the help from laws active support and confidence of the public are very necessary. Their vigilance and sympathy will minimise failures. Bank failures are no monopoly of India. Here they are due to causes inevitable to formative stages. In an organised country like the U. S. A., 981 banks with deposit of 515 millions suspended payment during the first eleven months of 1931.

Banking development will receive further stimulus if, by change of laws, Government funds and funds of semi-government bodies like municipalities, local boards, improvement trusts, etc., are permitted to be deposited in

the established Indian banks. Such funds are deposited in the Imperial Bank and its branches and where it has no branches they are left in government treasuries. It is in Calcutta and Bombay where some banks other than the Imperial are allowed to keep such funds as their deposits. It is a great economic waste to leave funds with Government treasuries. Its use is temporarily lost to the country. The world is now feeling the evils of such a procedure on big scale by the deflection of gold from the money market to the treasuries in U. S. A. and France. It will be very desirable if recognised banks are allowed to receive these funds from the treasuries against deposit of securities. In America, banks other than National banks are allowed to handle Government funds and they deposit securities. Since the formation of the Imperial Bank and its branches things have improved but much remains to be done. Indigenous banking system is to a very large extent purveying credit facilities to the trade and commerce under Indian management but that system by itself is incapable of development to an extent that would satisfy the banking requirements of the country. Expropriation is not the aim of our banking development. In this as in every other department of economic activity we want to make our position strong and self-sufficient.



EUROPEAN INSURANCE INTELLIGENCE

(From Our Berlin Correspondent)
BERLIN, 1ST JUNE, 1933.

Hitler and the Future of German Insurance Business

(The following is a copy of the letter addressed by our Berlin Correspondent to the Vice-President of the United States Review Publishing Company of Philadelphia, regarding the influence of the present disturbances in Germany on the German insurance business, which also shows Herr Hitler's attitude towards the question of nationalising German insurance business.—Editor, *I.F.R.*)

To Robert R. Dearden, Esqr.,

Vice-President, United States Publishing Company, Philadelphia.

SIR,

I have been favoured with your kind letter of the 5th instant wherein you propose me to give you a brief report regarding the influence exercised on German insurance by the present disturbance—what you call it in Germany.

I am very glad indeed thus to be given a chance of giving through the medium of your valued paper a true report of the actual position of German insurance and to help eventually your compatriots in considering conditions of this country from another viewpoint.

In the first place, permit me to state, Sir, that one cannot indeed speak of disturbances at least not in the sense what is meant by this expression,—this German national revolution having indeed been the most bloodless

one that ever was and being chiefly the natural consequence of the numerous shameless acts of corruption and fraud committed by the former Government as well as of the fact that Germany finds herself not to be allowed practically to hold amongst the principal world powers that place which she feels entitled to.

Now as regards insurance business I wish to mention in the first place that generally speaking there has not so far been felt any direct influence under the new Government in favour or in disfavour of business, everybody waiting for a revival of business as a consequence of the program of the Nazis, but as this cannot, of course, be realised between this and to-morrow this state of waiting can be described best as a certain stagnation with, as is being expected by all competent quarters, promising symptoms for an improvement of general economic conditions. In this connection attention must be drawn to the results obtained last year for the different branches of insurance business illustrated to some extent by the reports so far published by the German Insurance Companies. For the sake of illustration just let me state for instance that according to the report published recently by the Board of Statistics the amount of business realised last year by the principal German Life Assurance Companies *i.e.* 64 Private and 18 Public Companies are showing a decrease against the year 1931 by

round about Rm. 791,000,000, whereas the year 1931 was showing an increase of business by Rm. 780,000,000. All these reports and statistical data clearly show the steady shrinking of business—as we call it here, principally as a consequence of the economic world-crisis and the general depreciation.

Now I feel my report would not be complete but for the question of the Jewish firms being dealt with, too, which I am sure will also be of interest to your readers and seeing that especially my firm (August Jaap, Assekuranz, Berlin W. 56, Jägerstrasse 25 is counting amongst its list of clients a very great number of Jewish firms I daresay I am possessing the necessary competence for dealing with this question. I am glad to state, however, that with these firms the position is quite the same as with the other houses: no new proposals are made at present for the various branches of insurance business, but no proposals have been made, on the other hand for the cancellation of existing contracts.

May I still mention, Sir, that according to reports to be found recently in some competent Papers Reichskanzler Hitler is said to have been stating that he would in no way think of socializing German insurance business which would indeed logically correspond to his program of furthering private business.

I shall be very happy indeed if these lines will help both our Nations to come to a better understanding of each other in the interest of sincere international co-operation and beg to remain, Sir,

Very sincerely yours,
Sd. August Jaap.

German Fire Insurance

The fire loss curve of the companies belonging to the "Association of Private Fire Insurance Companies in Germany" which for the winter months was a rather steady one is showing for last March a strongly rising tendency, the total amount of losses sustained by fire being for March of this year not less than Rm. 7,200,000 as against Rm. 6,070,000 for the preceding month which means an increase against last February by about one fifth. The amount of losses sustained last March is even exceeding that of the preceding year when the respective figure was only Rm. 6,980,000. This is all the more remarkable as the amount of business on hand has gradually been decreasing since last year as a consequence of the economic crisis and the depreciation of the values insured.

German Fire Losses in March

According to the statements made by the "Association of Private Fire Insurance Companies in Germany" fire losses sustained during March by the Companies belonging to the above Association have risen again, the total amount of losses being Rm. 6,933,854 as against Rm. 5,308,044 for the preceding month. The number of losses sustained was for March of this year 6810 as against 6676 for the preceding month.

German Fire Losses in April

The total amount of losses sustained last April by the Companies belonging to the Association of Private Fire Insurance Companies in Germany was Rm. 5,024,628 i.e. much lower than that for the preceding month when the respective figure was Rm. 7,198,266, an extraordinarily high figure indeed. With the amount of Rm. 5,024,628 the loss curve is again approaching that of the preceding years when there was to be stated from March until the beginning of the summer a backward tendency of the loss curve.

INSTITUTE ACTIVITIES

Bangiya Dhana-Vijnan Parishat

On 21st May last, Prof. Baneswar Dass of the College of Technology and Engineering, Jadavpur, met at his new residence at 22, South End Park, Ballygunge, members of the Bangiya Dhana-Vijnan Parishat and other friends at an "At Home" at 5:30 p.m. Among those present were: Prof. and Mrs. Benoy Kumar Sarkar, Dr. N. N. Law, Dr. Amulya Ukil, Dr. Nalinaksha Dutta, Dr. S. C. Roy, Dr. Biren Das Gupta, Dr. Joshi (of Viswanitra), Mr. Bamaprasanna Sen Gupta, Mrs. Sushama Sen Gupta, Mrs. Sulekha Das Gupta, Mrs. Surama Mitra, Mr. Sudhansu Bikas Roy Choudhury, Mr. Gokhite, Mr. J. N. Sen Gupta, Mr. Sudhakanta De, Mr. Pankoj Kumar Mukherjee, Mr. Sudhis-Ranjan Biswas and others.

Mr. Monindra Mohan Moullick, a Research Fellow of the Institute, introduced a discussion on "Insurance in Soviet Russia." After a short introduction given by Prof. Sarkar, Director of Researches, the speaker said among other things as follows:

Insurance is a State monopoly in Soviet Russia. The State Insurance Department of Soviet Russia is known as the "Gosstrakh." The Gosstrakh is under the Peoples' Commissariat for Finance. The provincial branches of the Commissariat for Finance have the right of general supervision over the local organs of Gosstrakh in the various republics. The social insurance scheme of the country which includes workmen's compensation, sickness, old age, unemployment and so on, is handled by a special department of the People's Commissariat for Labour.

State insurance is at present an important branch of the economic system of the Soviet

Union and it has grown and extended with the general development of the economic life of the country. The insurance of peasant household is an important branch of its activity and is of great value to the country since it leads to stabilise the economic position of the peasantry.

Life insurance though still small has shown constant, if not very rapid, growth. There is compulsory insurance against fire on all private buildings to the extent of 50 per cent of their valuation. Dwellings of a valuation upto 200 roubles and outbuildings of a valuation upto 50 roubles must be insured for the full amount. All State and principal buildings leased to organisations or private individuals must be insured by the lessee to the full value of the building.

Property may be insured to its full value by a voluntary payment covering the second half of its value.

The most important branch of insurance transacted in Soviet Russia is transport insurance. This class of insurance is chiefly engaged in insuring goods in transit and is consequently connected with the general industrial development of the country and growth of trade. Russia is a big trading country with immense agricultural resources, industrial production and a vast population. In addition to the goods transported within the country, extensive transactions are also conducted in connection with the insurance of export and import of goods.

The direct and indirect benefits which compulsory social insurance have brought to the lives of the poor in Russia are already immense, and the time is not very far off when the whole industrial society in the Soviet Union will be animated by the feeling of security against sickness, unemployment and

starvation. Social insurance is compulsory in Russia. The principal exceptions are agricultural workers who live in districts where there is no office of social insurance department. Social insurance includes:

1. Medical help.
2. Temporary incapacity.
3. Special assistance.
4. Unemployment relief.
5. Permanent disablement relief.
6. Assistance in case of dependents being abandoned by the breadwinner.

There is also compulsory unemployment



Prof. Benoy Kumar Sarkar

insurance in Soviet Russia. The problem of unemployment is being dealt with in three ways:

(i) The organisation of relief works for the unemployed and (ii) the granting of certain exemptions and privileges to the unemployed in regard to municipal services. The unemployed are also supported by State subsidies, the Social Insurance Fund, and by the trade unions. Public work is also organised, and labour artels formed to assist the unemployed by providing work for them.

The speaker used statistical data extensively. After the speech was over a discussion followed in which the members of the Parishat and others

present took part. Mrs. Sushama Sen Gupta opened the debate by asking how far personal saving and personal insurance were compatible with the communistic concept of the State. Mr. B. P. Sen Gupta too found that there was no necessity for personal insurance. Prof. Sarkar reminded that the "Gosstrakh" was nothing but a special department of the Government operating its insurance business. The people in communistic Russia are much less insured than people in, say, England and Germany.

Dr. Law could not understand why there should be any insurance business at all in Russia, where people were cared for by the State. In a lively discussion that followed, the lecturer, Mrs. Sushama Sen Gupta, Mr. Sen Gupta and others contributed to the clearance of the point.

Dr. Ukil said that in Russia hoarding was not allowed, and life insurance was the only way of laying by some money.

Mr. Sudhis Ranjan Biswas wanted information as to Russia (1917)=India (1931).

Mr. Jitendra Nath Sen Gupta enquired if Russian example may not be useful in liquidating agricultural indebtedness of this country which is greatly hampering insurance work. It is necessary that the large indebtedness should be wiped off, otherwise the scope of insurance is rather limited.

Prof. Sarkar did not think that indebtedness should only be taken as the sign of the poverty of a nation. Some laws are overdue for controlling the rate of interest, but the indebtedness or a portion of it may prove rather the prosperity of the country concerned and enable both the debtor and creditor to prosper. Moreover, there is a very large number of people above the poverty line who have not yet been insured.

Dr. S. C. Roy suggested group insurance as a possible remedial.

Dr. Biren Das Gupta stressed on the capitalistic side of Russian insurance.

Dr. Ukil was of opinion that Russia has been able to do more public and social works like the construction of good roads, hospitals, etc., than any other country.

Others present also took part in the discussion.

INSTITUTE ACTIVITIES

Prof. Sarkar then summed up the debate and made his concluding speech. As there was a number of outsiders present, Prof. Sarkar began by relating the special features of the Institute. He said that the Institute was a seminar. He said that the only members of the Institute were the research fellows who were at present eight in number. Each one of the research fellows had already passed out of the University with the highest University distinction and possessed an M.A., B.L. degree or something equivalent to it; secondly, they were all occupied in practical life with business or some other employment. In the estimation of the Institute, all these employments were regarded as laboratories for economic experience. The research fellows were not required to subscribe to any economic views but were free to develop any policies they liked and differ from one another even in fundamentals. The most important features consisted in the facts that the research fellows were required to visit business concerns and localities as well as interview persons with industrial, commercial or agricultural experience. They were further required to study the statistical and other data furnished by the Reports of export and import houses, railway companies, banks, insurance societies and government departments as well as economic, commercial and technical journals coming from foreign countries as well as the different parts of India. Last but not least in importance is the fact that every thing was conducted in the Bengali language. A chief object of the Institute was to lay the foundations of high class economic literature in Bengali.

In the course of his speech, Prof. Benoy Kumar Sarkar said :

STATE INSURANCE NOT COMMUNISTIC

There are two kinds of insurance in Soviet Russia as everywhere else, (1) for goods, and (2) for persons. Both these branches are under the State. Russia is the only country where such a comprehensive state monopoly prevails in insurance business. The insurance of persons belongs to what is called social insurance and covers practically the whole of life insurance.

The insurance of goods is attended to by the "Gosstrach" or State Insurance Co. which however does some little life business. Social insurance is unknown in India.

But there is hardly anything in the business of insurance in Soviet Russia which is not to be found in the so-called capitalistic countries of the world.

State monopoly in insurance was planned out in theory by France and actually carried to a certain extent by the middle of the nineteenth century. Since then in some of the advanced countries of Europe state control or monopoly has



Dr. Narendra Nath Law, M.A., Ph.D.
Director, Bangiya Dhana-Vijyan Parishad

been enforced in certain branches of insurance. Neither the theory nor the practice of state insurance is therefore the original contribution of Soviet Russia or necessarily an aspect of communism.

SOCIAL ASSURANCE PIONEERED BY GERMANY

Social assurance also whether in theory or in practice is neither necessarily connected with communism nor was brought into the world by the Soviet regime. The pioneer of this branch

of insurance is Germany under Bismarck who introduced the first legislation in this field in the early 80's of the last century. And today there is six or seven times as much social assurance (in sickness, accident, invalidity, etc) per head of population in Great Britain and Germany as in Russia which is likely to take at least a whole generation to catch up to the present German-British level.

Insurance business in Russia is fundamentally different from that in India both in administration as well as in kind. But from the stand-

taken to be the premium income of the State Insurance Company for goods insurance in Russia. The total premium income on goods insurance during 1929 was nearly 26 million Rupees. In Japan the premium income in the same branch was 120 million yens (nearly 150 million Rupees). Per head of population the value is the same in Russia as in Japan namely Rs. 2-5-0.

BUSINESS MANAGEMENT IN SOVIET INSURANCE

The profit of some 35 million roubles was distributed as follows: (1) reserve capital 12 m, (2) safety measures 12 m, (3) workmen's houses 5 m, (4) Government 4 m, (5) Prize for officials, 2 m.

There were five kinds of reserves earmarked in the balance sheet for 1929 (worth 312 million roubles) as follows: (1) special reserve capital 25 m, (2) reserve capital 72 m, (3) special funds 56 m, (4) premium reserve 61 m, (5) reserve for current losses.

Of the premia realized nearly 50 per cent comes from properties which are not compelled to insure.

The poorer people are allowed rebates which often amount to the entire premium. During 1929-30, 30,700,000 roubles were sacrificed by the company in this account.

In 1924-25, the fourth year, the expenses of management amounted to 198 per cent of the premium realized. In 1928-29 the expenses came down to 115 per cent.

AGRICULTURAL INDEBTEDNESS AND INSURANCE

There is enough scope for the expansion of insurance business in India even under conditions of agricultural indebtedness. As long as the indebtedness of the peasants is a permanent proposition going down from father to son it only means that the legal right to land values as well as to the agricultural produce belongs in part only to the cultivator and in part to the creditor also. It is possible to combat indebtedness by co-operative credit, promotion of exports, such as is likely to be facilitated by Imperial Preference, land mortgage banks, industrializations, drastic changes



Prof. Banerwar Dass, B. S. Ch. E. (Illinois)
Director, Banjiya Dhana-Vijnan Parishat

point of business organization and technique it should be eminently instructive to us in India also. The economics and mathematics of insurance are universal and do not depend on the "isms" associated with the form of government.

JAPAN EQUAL TO RUSSIA IN INSURANCE

The total premium income of the Gosstrach during 1928-29 was nearly 268 million rubles (one rubble is nearly Re. 1-8-0). The life business accounted for less than 9 millions. The sum of 390 million rupees may, therefore, be

in the law, of inheritance and partitions, and by otherwise developing the country economically. The peasant's share of the land values and agricultural produce can thereby be raised so that he can naturally feel the urge for insurance policies on a decent scale as for postal savings and cash certificates. But even at the present level of indebtedness it should not be impossible by adequate propaganda on business lines on the part of agents to induce the peasants to take out policies, just as they buy umbrellas or send their children to school or spend money on marriages and social feasts. An insurance policy should indeed be regarded scientifically as but another new item in the standard of living or consumption-schedule of the people. The insurance men do not have to wait for the expansion of their business until agricultural indebtedness and general poverty have been removed. The very fact of putting through a number of policies among agricultural classes is well calculated to remove their indebtedness to a certain extent and enable them to taste a little bit of prosperity.

The meeting came to a close 9 p. m. Prof. and Mrs. Dass were all attention to the guests who were treated to tea and refreshments.

Insurance Education Society

A meeting of the Special Committee of the Insurance Education Society was held on Tuesday, the 25th May, 1933, at 6 p. m. at the office of the New India Assurance Co., Ltd.

The following members were present:

Mr. H. K. Sarker, Mr. B. Biswas, Mr. Ashoke Chatterjee and Dr. S. C. Roy. Besides, the following gentlemen attended the meeting by special invitation: Messrs S. P. Basu (Byabasha O Baniya), S. C. Mazumdar (Central Bank), M. Mondlik (Insurance and Finance Review), A. T. Banerjee (Insurance Herald), S. B. Roy Choudhury (Clive Street) and B. N. Sen (Insurance and Finance Review), and Mr. N. K. Basu.

Dr. S. C. Roy, General Secretary, informed the gentlemen present of the progress the Society had so far made and intimated the intention

of the society to start regular classes from July next.

There was some discussion over the question of curriculum in which almost everybody took part. The General Secretary laid on the table a draft curriculum prepared on the lines of that of the Chartered Insurance Institute of London. Mr. B. Biswas was authorised and requested to prepare it anew which may be finally adopted by the Governing Body of the College in consultation with the Principal.

The General Secretary intimated that premises No. 136, Bowbazar Street, have been selected for the location of the College. Negotiations with the owners of the premises were nearly complete, and the Society could be assured of well-equipped class rooms and offices. The members approved of the arrangement.

There was discussion on several other items, and Mr. H. K. Sarker, Secretary of the Governing Body was asked to do the needful in matters of advertisement, staff selection, and public appeals, etc.

After light refreshments having been served, the meeting came to a close at 8 p. m.

Indian Insurance Institute

The third annual meeting of the above Institute was held in the last week of May, 1933, at the office of the Institute in Calcutta. Sir Nilratam Sircar, the President, presided over the meeting and in the course of his speech said that "the future of every country as of India depended as much on the progress of insurance as on banking." He explained the endeavours of the Institute in regard to the spread of education in insurance among the people and for the development of the financial position of the country chiefly through industrial progress with the help of insurance funds.

Mr. S. C. Roy, General Secretary of the Institute, then presented the Annual Report for 1932-33, and said:

"There are 129 members on the roll including one life member. Twenty insurance offices have

donated to the publicity fund and the institute sent its publicity officer to the mofussil for propaganda work. Leaflets and placards have been largely used and a series of lectures have been delivered under the Education Board to help the insurance workers."

"The Institute has also established a good library of insurance books and several new additions have been made during the year."

The following office-bearers were elected for the year 1933-34 :

PRESIDENT.

Sir Nilotan Sircar, Kt., M.A., M.D.

VICE-PRESIDENTS.

Mr. A. C. Sen ... (Empire)
 „ S. N. Banerjee ... (National)
 „ A. Pal ... (National Indian)
 „ I. B. Sen ... (Bombay Life)
 „ J. C. Das ... (Calcutta)

GENERAL SECRETARY.

Mr. H. C. Chakravarty ... (Bharat)

JOINT-SECRETARIES.

Mr. B. M. Sen ... (East India)
 „ S. N. Das ... (Bengal Insurance)

ASSISTANT SECRETARIES.

Mr. K. N. Majumdar ... (Oriental)
 „ S. Bagehi ... (India Equitable)

JOINT TREASURERS.

Mr. J. C. Ghosh Dastidar ... (Bombay Mutual)
 „ B. Mukherjee ... (East & West)

The following members were duly elected to

constitute the Council of the Institute for the year 1933-34 :

1. Mr. A. C. Sen (Empire)
2. „ S. N. Banerjee (National)
3. „ N. M. Roy Chowdhury (Great India)
4. „ H. C. Chakravarty (Bharat)
5. „ B. M. Sen (East India)
6. „ J. C. Ghosh Dastidar (Bombay Mutual)
7. „ J. C. Das (Calcutta)
8. Dr. S. C. Roy (New India)
9. Mr. A. K. Ganguli (Industrial & Prudential)
10. „ K. P. Kamdar (Asian)
11. „ S. Bagehi (India Equitable)
12. „ I. B. Sen (Bombay Life)
13. „ C. L. Lahiri (Unique)
14. „ A. Pal (National Indian)
15. „ S. N. Das (Bengal Insurance)
16. „ M. B. Dutt (United India)
17. „ S. C. Roy (Hindusthan)
18. „ K. K. Banerjee (Oriental)
19. „ H. C. Mitra (Metropolitan)
20. „ B. Mukherjee (East & West)

CO-OPTION OF MEMBERS.

1. Sir Nilotan Sircar, Kt. (National Indian, Great India, etc.)
2. Mr. H. L. Banerjee (East India)
3. „ K. N. Mazumdar (Oriental)
4. „ A. B. Ghosh (National)
5. „ N. Rajabali (Himalaya)

The Audited Accounts were placed by Mr. B. M. Sen and was unanimously carried. The meeting came to a close with a vote of thanks to the chair.



CURRENT TOPICS

Bengal versus C. P. Coal

Mr. M. P. Gandhi, Jt. Secretary to the Indian Colliery Owners' Association, has, in a letter to the Secretary of the Railway Board at Simla, drawn attention to the great disparity existing between the basic rate of freight on Bengal coal in force on the E. I. and B. N. Railways on the one hand and on C. P. coal on the G. I. P. Railway on the other.

The following are extracts from his memorandum :

"The levy of the present surcharge on coal freights at a percentage rate of the total freight makes the position worse for Bengal Coal and confers a further advantage on C. P. Coal : The scales of rates at which the Coal traffic is generally charged are shown below :

E. I. and B. N. Railways over	
400 miles per maund per mile.	
For all distances up to 200 miles inclusive	0.15 pic.
Any distance in excess of 200 miles up to 400 miles :	0.06 pic.
Any distance in excess of 400 miles :	0.05 pic.
Rate for Pench and Chanda Valley	
Collieries per maund per mile.	
For distance up to 200 miles :	0.10 pic.
Any distance in excess of 200 miles up to 500 miles :	0.06 pic.
Any distance in excess of 500 miles :	0.45 pic.

UNABLE TO COMPETE

"From the above rate, it is clear that Bengal Coal has been placed at a disadvantage in comparison with that of C. P. Coal and is unable to compete in the important consuming centres like Ahmedabad, Baroda and other places in the Bombay Presidency, due to its having to pay freight at a higher basic rate. The following figures of consumption of C. P. Coal in Ahmedabad during the years 1928 to 1931 would show that the consumption of C. P. Coal in the Western markets is increasing and that Bengal Coal is being displaced as a result thereof :

	C. P. Coal	Bengal Coal.
1929 :	56,908 tons.	175,160 tons.
1930 :	109,932 tons.	174,378 tons.
1931 :	174,578 tons.	168,000 tons.

"It will be seen herefrom that the additional market for coal in Ahmedabad has been captured by the C. P. Coal and that the consumption of Bengal Coal has shown a decrease.

DIFFERENT BASIC SCALE

"Ahmedabad is at an average distance of 1165 miles from Bengal Coal fields and the minimum Railway freight is Rs. 11-11 per ton. After deducting -8/- annas per ton for terminals, the nett railway freight works out at Rs. 11-3 per ton, which is equivalent to .068 pic per maund per mile.

"The average distance of Ahmedabad from the C. P. Collieries is about 567 miles and the through railway freight works out at Rs. 6-5 per ton. After deducting -8/- annas

per ton for terminals the nett rate of freight comes to about Rs. 5-13 per ton, equal to 0.072 pie per maund per mile.

"If the same rate charged on the E. I. and the B. N. Railways is made applicable to the coal traffic from the C. P. Collieries, the rate of railway freight to Ahmedabad would amount to Rs. 7-1. There would thus be a difference of Rs. 1-4 per ton in the rate of freight on the basis of the rate charged to Bengal Coal.

"Due to the specially lower basic scale of freight charged on C. P. Coal the Bengal trade is being hit very hard.

UNEQUAL SURCHARGE

"The situation has been further aggravated by the present levy of surcharge of 15 per cent, on coal freights which operates decidedly to the advantage of the C. P. Collieries. While Bengal would be charged about Rs. 1-13 per ton as surcharge, the C. P. would be charged only about 15 annas as surcharge. There is thus a difference of about 14 annas per ton in surcharge alone, on the coal consigned to Ahmedabad.

"It would thus be clear that C. P. Coal has got an advantage in railway freights, including surcharge of about Rs. 2-2 per ton, over Bengal Coal to Ahmedabad, and similar is the case with the other consuming centres in the Western markets. The Committee of the Indian Colliery Owners' Association strongly feel that a great injustice is being done to the Bengal Coal Industry and trade in this manner by the Railways concerned."

Reinsurance in Italy

We quote the following from *The Policy* of London, for May 6, 1933 :

An important development of State control over reinsurance business is reported from Italy. By a circular letter dated February 10th the Insurance department of the Ministry of Commerce has called for certain details of their reinsurance business to be supplied

by the insurance companies in that country. A return is to be given of the results of the outward reinsurance business, showing the results of the treaty business and the facultative business separately. Fairly full information is required, including the net retentions for each class of risk, the share given off to reinsurers, the reinsurance premiums, the reinsurers' share of claims and commission, and the balance of account with each separate reinsurer. It is provided for the future that this information must be filed before April 30 each year and a list of each treaty in force is to be filed before December 15th.

It would be interesting to know what purpose the Ministry has in mind in making this demand, and whether they hope to safeguard the interests of their own direct offices, or whether they will look to the correctness of those offices' methods vis-a-vis their reinsurers.

Investment Value of Buildings

Sir Josiah Stamp, in a recent interview, called special attention to the value of investments in building societies. He said :

"The fall in the general rate of interest throws into new prominence the investment value of buildings, especially in the reconditioning of business and factory premises, and in dwelling-houses under home ownership.

"A gradual elimination of slum property must tend to stimulate the appreciation of well-placed suitable residences and to enhance the value of property generally. Investment in buildings is free from many of the risks in industry, politics, and foreign economic life, and, among other agencies, the Building Societies are ready to give full scope to the enterprise of the individual investor."

Bad Listeners

Many business men are bad listeners. They fidget. They interrupt. It is a very common sort of rudeness—this bad listening.

A bad listener practically says to the

person who is talking to him—"What you are saying is not worth listening to"

Many foremen are bad listeners. Every workman knows that. There are some who almost resent being spoken to.

Some managing directors are aloof and casual listeners when one of their subordinates is talking to them. And some have a condescending pose, which is still sillier.

There are even salesmen, who ought of all men to be good listeners, who break in impatiently when a customer is talking.

It is a very necessary thing in business life to learn how to listen courteously and to shew a respect for other people's opinions.

Many a sale is made by the ear. And it is very likely true that much more goodwill is secured by the ear than by the tongue.

Everyone of us loves a good listener. It is much easier to secure favourable attention by listening than by talking.

--The Assurance Review

British Life Business.

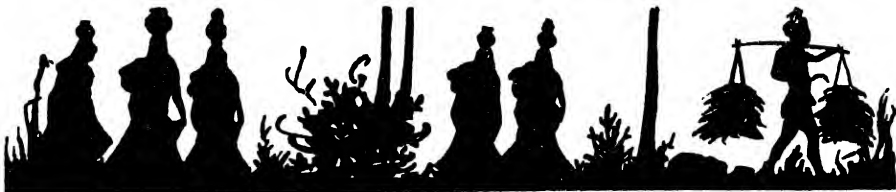
The following table shows the extent of new ordinary life business secured by British

offices operating in India in 1932 as compared with the figures of the previous year.

	Nett sums assured		Increase (+) or decrease (—)
	1932	1931	£
Alliance ...	3,352,757	3,222,795	+129,962
Atlas ...	2,500,000†	3,000,769	-560,769
British General ...	619,175	483,714	+135,461
Caledonian ...	1,239,511	1,196,965	+42,546
Commercial Union	3,985,863	1,033,702	- 17,839
Eagle, Star & B. D. ...	2,156,941	2,118,593	+38,348
Friends Prov. & Century ...	1,407,005	1,520,950	-113,945
General Life ...	1,861,231	2,008,670	- 234,139
Gresham Life ...	2,000,000†	1,995,777	+ 4,223
Guardian ...	1,417,781	1,332,879	+114,200
Law Union & Rock ...	2,301,101	2,019,119	+281,982
Liverpool & London & Globe ..	1,980,000†	1,950,151	+29,849
London Assurance	2,075,116	1,795,780	+279,336
Manufacturers			
Life ...	12,831,340§	15,739,278§	-2,907,938
North British & Merc. ...	3,980,000	3,816,878	+163,122
Northern ...	1,109,500	1,016,329	+93,171
Norwich Union			
Life ...	8,009,710	8,249,645	-239,935
Pearl ...	7,617,912	8,021,516	-403,574
Phoenix ...	3,420,000†	3,101,756	+318,244
Prudential ...	19,000,000†	20,269,138*	-1,269,138
Royal ...	3,733,718	3,509,206	+224,512
Royal Exchange	2,879,426	2,417,264	+462,162
Scottish Life ...	1,380,396	1,407,668	- 27,272
Scottish Union & Nat. ...	2,536,875	2,135,371	+401,504
Standard ...	2,814,718	2,763,993	+50,725
Yorkshire ...	1,827,978	1,710,885	+117,093

* Including new sums assured of £2,262,752 written in connection with foreign reinsurance arrangements.

† Approximation. § Gross.



THE STUDENTS' FORUM

Casualty Examination Questions and Answers.

The twenty questions on casualty insurance submitted to applicants for licenses in the written examination conducted by the Pennsylvania Insurance Department have been answered by Robert V. Branion, assistant manager of the Philadelphia branch office of the Zurich, in the *U. S. Review* as follows :

1. *Describe the coverage provided in the following policies : Liability, Burglary, Workmen's Compensation.*

1. The Public Liability policy covers the named Assured's legal liability for accidents sustained to the public, resulting from the operation of his business, the ownership or maintenance of a described property, the ownership or maintenance of an elevator or team or whatever type of risk is being insured.

The Burglary policy indemnifies the named Assured for loss by Burglary, which is defined as the entrance to the described premises, which entrance shows visible signs of forcible entry.

The Workmen's Compensation policy insures the named Assured's obligation under the Workmen's Compensation Law in the State in which he is operating.

2. *What is a Public Official Bond ? Is it cancellable ?*

2. A Public Official Bond is an instrument guaranteeing that the named official will faithfully perform his duties and act in

accordance with the laws of the official unit by whom he is employed. These Bonds vary as to whether they can be cancelled or not with the type of Bond and according to the governmental unit in which the public official is located.

3. *Explain the "waiting period" in Health and Accident Insurance. Does it apply to surgical operations ?*

3. The ordinary Health and Accident policy begins paying indemnity from the first day. However, the average policy can be changed to have the indemnity begin from the seventh (7th) day or the fourteenth (14th) day, depending on which is specified. The longer the waiting period the lower the premium. A waiting period does not apply to surgical operations.

4. *Describe the "Omnibus" coverage extended in a Pleasure Automobile Policy.*

4. The Omnibus Clause provides insurance in the same manner and under the same conditions as it does for the named Assured, to any person or persons while riding in or operating the insured automobile and any person, firm or corporation legally responsible for the use or operation thereof, if such use or operation is with the permission of the named Assured, or if the named Assured is an individual with the permission of an adult member of the named Assured's household, other than a chauffeur or domestic servant.

5. *State the provision of the law governing the use of note for payment of premium.*

5. Section 635 of Article VI of the Insurance Laws of the State of Pennsylvania concluded with the statement, "Nothing in this section shall be construed to prevent the taking of a bonafide obligation, with legal interest in payment of any premium.

6. *Does plate glass insurance cover while glass is being set in its frames? Do repairs in the building affect the validity of the policy?*

6. Plate Glass insurance does not cover while glass is being set in its frame. Repairs in a building no longer effect the validity of a Plate Glass policy.

7. *Does the contractor's public liability policy protect him where injury is caused through a sub-contractor?*

7. No. In order to be protected for injuries caused through a sub-contractor, a general contractor should carry a Contractor's Protective Public Liability policy.

8. *What is automobile collision coverage? Name and explain two forms.*

8. Automobile Collision coverage protects the Assured's own automobile for damages to it as a result of a collision. Collision insurance is written in many forms, namely Full Collision, \$50.00 Deductible, \$100.00 Deductible, etc. By Full Collision is meant that the Assured is insured for the full amount of any loss which he may have as a result of a collision. Under the \$50.00 Deductible type of Collision insurance the Assured pays the first \$50.00 of the loss and the Company pays the balance.

9. *What determines the amount of the premium in Health and Accident Insurance?*

Can the amount be changed by the company? Explain.

9. The amount of premium in Health and Accident insurance is determined by the Assured's occupation, his age and the amount of Weekly Indemnity and Principal Sum applied for. Some companies change this by charging an arbitrarily higher rate for a sub-standard risk.

10. *On what basis is a "Merit" of "Experience" rating secured on a Workmen's Compensation Policy?*

10. In Pennsylvania a risk for which the premium developed by the audited payroll, based on current manual rates for a period not exceeding five years or less than one year, is \$1000.00 or more is eligible for experience rating. The experience rating is determined by a fixed formula described by Law.

11. *In what ways can changes in any Casualty Insurance Policy be made?*

11. Changes can be made in a Casualty policy by the insurance of an endorsement, signed by an official of the company, which endorsement is attached to the policy and made a part of the company's records.

12. *Name and define the three parties involved in Fidelity and Surety Bonds.*

12. Principal or applicant who is the person to be bonded. Obligee the person in whose favour the bond is issued and Surety which is the Bonding Company guaranteeing the Obligee.

13. *What coverages are provided in the various forms of professional liability insurance?*

13. Professional Liability Insurance covers Dentists, Doctors, Beauty Parlors, etc., for claims arising or alleged to have arisen from mistakes or omission.

14. *Is agreeing to accept merchandise for payment of premium covered by the rebate law? Explain.*

14. Yes. Section 635 of Article VI captioned "Rebates and Inducements prohibited," states in part, "Nor shall any Agent, Solicitor, or Broker personally or otherwise, offer, promise, give option, sell or purchase any stocks, bonds, securities or property . . . or other things of value whatsoever as an inducement to insurance or in connection therewith."

15. *When, if ever, do statements made in the application of Health and Accident Insurance have any effect on the validity of the policy?*

15. Statements in the application of a Health and Accident policy always affect the validity of the policy, since it is issued in consideration of the statements contained in the application and the payment of the premium.

16. *If lettering or signs are included in a plate glass policy, under what condition is the company liable for damage to the signs?*

16. When the glass on which the signs or lettering is attached is broken.

17. *Does a Garage Automobile Policy cover (1) automobiles owned by the assured? (2) liability for accidents resulting from defective repair work?*

17. (1) Yes. (2) Yes.

18. *What determines the liability of the company to an employee injured under Workmen's Compensation Insurance?*

18. The Workmen's Compensation Law of the State in which the employee was working.

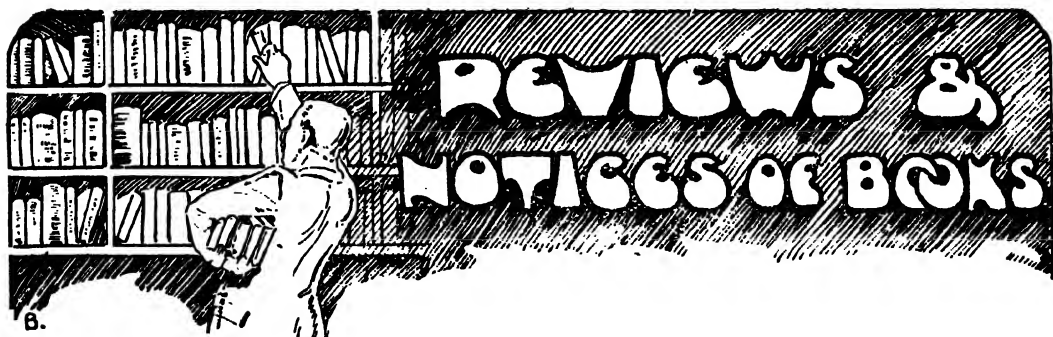
19. *The assured carries \$10,000 liability insurance with each of five companies. In the event a \$30,000 claim is sustained, what will be the liability of each company?*

19. \$2000.00.

20. *State one question covering a point an agent should know, which you would recommend being made a part of these examinations.*

I would suggest that a question covering the Co-insurance Clause which is used in connection with Mercantile Open Stock Burglary policies be made a part of this examination. In many instances both the Assured and the Agent have no understanding of this clause whatsoever when a loss occurs





THE THEORY OF PROFITS. By Dr. Profulla Chandra Ghosh, M.A., Ph.D. Published by the University of Calcutta.

The concept of profit is an institution which finds an inherent sanction in the human mind. Yet it has been the sore point on which has been reared many a brilliant economic theory and has been nurtured many a sense of present-day economic wrong. It is, therefore, rather bold of Mr. Ghosh to venture into the troubled waters of profits, which, to the modern lay mind, is mixed up with that other sinister modern expression, 'exploitation.' Our author has been endeavouring to draw a synthesis between the fundamental concepts of profit and welfare on the basis of an analysis of the current theories on the fact of profits. Wealth is the means towards the end of *general* welfare, and profits merely represent a part of the aggregate wealth available for human use. It may therefore appear that the concept of profit should not naturally be irreconcilable with that of welfare. This is the thesis that Mr. Ghosh has quite ably expounded in this rather big tome.

The two fundamental needs of society, namely, livelihood and leisure, states Mr. Ghosh, are both satisfied by the modern *entrepreneur* and with one and the same process. And the "process of production

has been so modified for the purpose that an increased participation of capital is now essential for a cheaper out-turn. The capitalistic production offers the appropriate opportunity for purchasing leisure, that is to say, for securing a property-income through an increased investment of capital." It is not contested that this statement is generally true. For the primary objection to capitalistic production is not that it does not afford an opportunity for a property-income, but that through the process of capitalism is evidenced a larger and larger accumulation of *surplus* wealth in the hands of those who accidentally find themselves in the position of what Mr. Dobb dubbs as the 'Captains of Industry,' and who either do not or would not spend this surplus wealth and thus maintain the equilibrium between production and the aggregate consumption-capacity of the community. One of the fundamental objections to capitalism that the modern world has conjured up, is that it makes for a maladjustment between the economic status and consequently financial strength of the various communities or classes in the social organisation only through a close co-operation among whom can the process of production be smoothly carried on.

And it would appear that the concept of profit is intricately mixed up with the

capitalistic attitude of the mind of the modern *entrepreneur*. For without the essential condition-precedent of capitalism, and I use the expression in its most sinister sense, the profits of the modern *entrepreneur* could not be so out of all proportions to the earnings of all the other factors of production. And the whole concept has been consequently vitiated by that sense of undue exploitation that the other social participants in the process of production think is being carried on them. The reasons of our author are naturally more or less abstract, but he has nevertheless tried to keep himself alive to this practical side of the issues involved in the question of profits.

There is one thing which I should like to mention here. I find our author, like so many others of his abstract school of thought, have absolutely ignored the reactions of those forces, which are generally given that rather curious nomenclature, 'market-conditions,' on the economic system of the present-day world. Indeed he has mentioned the word, 'market-conditions,' yet he has not endeavoured in the least to inquire of what really these market-conditions comprise. The convenient expression, '*other conditions being what they are*' or '*other things being equal*' the usual way to evade such practical, and which are really so vital, issues. Mr. Ghosh could not rise above this common failing of our present-day economists. He expounded a theory which would be alright if these *other things* behaved in a perfectly drawing-room-mannerly way. And whatever the consolations of *theory*, the misfortune of *fact* is that these '*other things*' insist on behaving in a manner which throw all these social theories, with all their glamour of social benefit to the winds, and go on

indefinitely aggravating the adverse effects of the working of the present-day economic system until one day we find, as we find today, that we are on the verge of a world-collapse.

This is the besetting sin which robs most of such efforts as that of our present author of this charming qualities and honest social endeavour. Not that our economy cannot be interpreted, even on the present private enterprise basis, so that force of these *other things* may be brought into line with the cause of general welfare and secure a better adjustment between the productive efforts of the community and its aggregate consumption-capacity. But to do that it would be necessary to reshape the attitude of our economists so that the edge of the glamour of a money-economy may be considerably worn off. Money must be divorced from its present invincible position of representative capital or future purchasing power, and the immutable justice of the fact that production is primarily for direct consumption of the produces by the community must be recognised, before the modern world can be placed back on a more normal and consequently more rational economic footing. Mr. Ghosh has no doubt expounded a brilliant economic theory with his characteristic brilliance, but he has failed to give us that practical guidance and that largeness of outlook which the modern care-worn world is so sorely in need of.

KARUNA KUMAR NANDI.

THE INDIAN TARIFF PROBLEM. *By* Hirendra Lal Dey, M. A., D. Sc. (Econ.) London. George Allen and Unwin Ltd : 1933. Price 16s. Pages 304. (Thesis ap-

proved for the Degree of Doctor of Science by the University of London).

Dr. Dey is essentially a scientist and he deals with his subjects in a purely scientific manner. He is unaffected by the trite slogan of "*Swadeshi*" or the clarion call of the pseudo-industrialists. He attacks protectionism from all aspects—from the point of view of modern taxation, from the point of view of the needs of particular industries and from point of view of the requirement of national economy. He cannot be regarded as representing any sectional interest as his attacks are levelled against all sections concerned—against the Government and against the Tariff Board, against the foreign importers and against the indigenous industries. He does not believe that protection is or ever can be necessary for the development of Indian industries and even if it were, the grant of bounties would have served the purpose for more effectively. He attacks the arguments of the Fiscal Commission and holds that protectionism does not seem to have produced the healthy effect in diversifying industry or seeking new avenues of investment it was expected to do. On the contrary, he points out that foreign competition has already shown itself in the field of Indian agriculture too, and while we are trying to relieve the pressure on land, we will notice that land itself has ceased to support us.

Dr. Dey's standpoint is, as a matter of fact, essentially from the point of view of the consumer. He points out that progressive taxation is the cardinal principle of modern public finance, and protection, especially when the incidence is on the necessities of life, tends to have a steeply regressive effect. He

explains how poorly developed direct taxation is in India, as compared with that of other countries and how this tends to impose the heaviest burden of taxation on the poorest classes of the population.

This book, is in short, "a breath of fresh air in an atmosphere of ignorant and interested protectionism."

PROBODH RANJAN GUPTA.

DIRECTORY OF MILL AND GIN STORES MANUFACTURERS: *Published under the auspices of the Indian Merchants' Chamber, Bombay, by the Swadeshi Certifying Board, 1933.*

This pamphlet contains, as the name signifies, all the names of manufacturers of Mill and Gin Stores in Bombay and is the outcome of the Exhibition of Swadeshi Mill and Gin Stores organised by the Indian Merchants' Chamber in 1932. As there is no other directory of such manufacturers, the utility of this booklet will be highly appreciated, specially by the purchasers of such stores. The information contained in this booklet is supposed to have been compiled on the basis of declarations filed by respective manufacturers, and are claimed to be correct. We would only suggest that it will be highly useful if the Directory could be made to cover all manufacturers in the whole of India.

DR. S. C. ROY.

THE PERMANENT SETTLEMENT IN BENGAL. *By Sachin Sen, M. A., B. L., Published by Messrs. M. C. Sarkar and Sons Ltd. Re. 1.*

Our author has primarily three theses to prove *e.g.*, (1) that the zemindars do not intercept a large profit, (2) that the cultivating classes of this province are not worse off

than those of the other Indian provinces which is due to the Permanent Settlement, and (3) that any attack on the fundamentals of the Permanent Settlement Regulations would therefore be a blunder and an injustice.

It may seem that the zemindars of this province have a moral claim to the treatment of the rights conferred upon them as inviolable, for whatever may have been the nature of the administration when this regulation was brought into force it cannot be denied that it was the tact of the zemindars and their financial efficiency which saved the province then from what inevitably appeared as a probably catastrophic break-down of the public revenues. Mr. Sen has added to that the plea that the zemindars do not really intercept a large profit and is therefore not such a social burden as may be popularly supposed. He borrows his statistics from the Administration Report of the Province for 1930-31 and shows that the nett rental that accrues to the landholding classes amounts in the aggregate to a little more than ten and a half crores of rupees and the total numerical strength of the class comes upto a little more than 57 lacs. The average nett income of a landholder in this province therefore, our author avers, is approximately Rs. 19 per capita,—certainly not an inviting figure! Mr. Sen goes a step further and he states that taking into account co-shares in this profit, the average would go down to Rs. 6 per capita per annum, a hideously repulsive figure no doubt!

While we would not object to the existence of a direct relationship between the smaller tenureholders and the State, we have every objection to the obviously very large interception of rental by our bigger zemindars, be their number ever so small.

We cannot reconcile ourselves to any kind of interception of rental which is any case exceeds the reasonable remuneration than an ordinary rent-collector would claim for his services. And even Mr. Sen will not be able to deny that there are some zemindars in this province whose interception of rental has so helped to accumulate a large surplus in his hands during the currency of the Permanent Settlement, that it has an inevitable reaction upon the general economic life of the province, making for an enhancement in the already ugly breach between production and the consumption-capacity of the community.

Finally about the prophecy of our author. I have already stated that if the zemindars have any claim to existence, it is the one of the service rendered by them to the community at a time when the public finances of the province were on the verge of a catastrophic breakdown, whatever may have been the nature of then the administration. Beyond this we do not really see any claim, moral or otherwise, and the least economic, of the existence of our landed feudals, a class which in the social polity of any other civilized country in the modern world has been relegated to the archives of archeological investigation. But even this claim would fail to-day to receive a corresponding response from our people. The zemindars have had enough reward in the shape of intercepted social income and various other legal and extra-legal amenities, and it is time they really developed into something less detrimental to social progress and a little less economically fallow. I admit that the zemindars have had their appointed destiny to release in our social economy, but it seems to me that their appointed mission

has been fulfilled, and it is now best that they should face the immutable force which makes for the inevitable annihilation of things and institutions which have ceased to have any appointed place in the scheme of things, with the candid and honest admission of facts that is due from them.

One word more, and I will have finished. I have referred in passing to our small tenureholders and stated that I do not object to their existence as such. But I would like to correct myself and say that I would object to any kind of permanent settlement, with those who intercept large profits or even those who do not. Permanent Settlement is an antithesis of progress, and we do not see why the present repository of the law of the land should commit any future legislature to any arrangement that they may arrive at in perpetuity. Besides we do not see why the public revenues should not progressively increase with the progress in the economic condition of our people. Permanent Settlement, even with the ryots would be against such progress.

Mr. Sen has very ably vindicated the cause for which he stands, and his admirable demonstration of data in proving his thesis really does him much credit.

KARUNA KUMAR NANDI.

THE CONSCIENCE OF A NATION OR STUDIES IN GANDHISM: *By Gagan Vihari Mehta. Price Re 1.*

This brochure contains nine articles contributed by the author to different papers on the life and teachings of Mahatma Gandhi. We are too near Gandhi and too much in the midst of his philosophy to take a detached and impassioned view of his admittedly

complex life and career. It is very easy, as all of us know, to praise a man but it is not so easy to appraise one in the fulness of his glory. On occasions like this, therefore, one is apt to indulge in fulsome adulation or in a degenerating quibble of hyper-critical enthusiast. Mr. Mehta is essentially a Gandhite in theory; or in other words he believes, unlike many of us, in the spiritual significance of Gandhi's many puzzling undertakings, such as fasts and things of the sort. Throughout this little book our author has repeatedly harped on some of the too pronounced tendencies of Gandhism rather than tried to find out the foundation of his faith and belief with reference to his own life and career. In a study like this, I should think that one should find out objectively how far Gandhi is a peculiar product of the ascetic genius of the Indian soil and how far such a life would have ill-fitted with a country whose tradition and history lack the impulse spiritual which is our own peculiar heritage. Our author has not taken us out to the historical background; and by some light gentle touches he fills in the canvas with what he finds Gandhi to-day. Repetition is the besetting sin of Mr. Mehta's book. Throughout the texture of his study our author has shown us, unconsciously we should suppose, how profound a student of political philosophy he is and quotations interspersed throughout his study have been apt and illuminating. Mr. Mehta's style is lucid and limpid and there is not a jarring word to oppress the serene dignity of the life of a man of Gandhi's spiritual majesty. He writes in a style bare and spare as the frail physical frame of his illustrious hero. Anyhow, Mr. Mehta's advent into the field of authorship augurs well for

all of us and we shall watch with interest his future literary efforts, which, we presume, will not be slow to follow.

S. B. ROY CHOWDHURY.

YOUNG CEYLON : Edited by Valentine S. Perera. Published from 167, Hultsdorf, Colombo.

We offer our sincere congratulations to the *Young Ceylon* on its having completed the first twelve months of its life. We have watched with keen appreciation and interest the gradual transformation of this journal into a first class periodical of Ceylon. Ceylon has a past ; she has a tradition of culture in the field or art, literature and architecture. *Young Ceylon* truly represents the mind and art of the youth of the island, and voices their aims and purposes in an emphatic manner. The journal strives to hasten a complete regeneration of the land in all its spheres by marshalling the most legitimate and consciencious views of great thinkers interested in the fulfilment of the cherished dreams and ideals of young Ceylon.

Besides these, the editorial notes are well thought out, and smack of a high literary flavour and conspicuous freshness. We wish the journal a career of continued success and usefulness.

THE RAIYATS OF BENGAL : by Sachin Sen, M.A., B.L. Published by M. C. Sarkar and Sons. Price Re 1.

In this monograph Mr. Sen has raised some fundamental questions of rural economy of Bengal. The Permanent Settlement, agricultural indebtedness and their economic implications have been given new interpretations on the basis of official statistics. Mr. Sen has not fought shy of controversial subjects too, and has tried to fashion them in the die of his own convictions. As a sequel to the author's "Permanent Settlement in Bengal", this brochure has devoted itself to a critical examination of the legal rights as well as economic needs of the ryots of Bengal, and the author's conclusions will provoke as much interest as controversy.

M. MOULIK



COMPANY NOTES

Empire of India Life Assurance Co., Ltd.

The 36th Annual Report and Balance Sheet of the Empire of India Life Assurance Co. Ltd. of Bombay for the year ending 12th April, 1933 is just to hand. Empire is one of the big five of our insurance Companies and it has reached the top of the ladder by years of steady progress and scientific management. The seventh quinquennial valuation of the Company has disclosed a surplus of Rs. 36,07,371. After placing a substantial amount to Reserve, the same rates of Bonus as at the previous valuation were declared and the rates of the Interim Bonus were increased. These results, no doubt, speak a lot about the unassailable financial strength of the Company which has made it one of the most popular of our Indian Insurance Companies.

RESULTS AT A GLANCE

New Sums Assured	Rs. 1,11,55,571
New Policies Issued	6,157
Total Business in force	Rs. 10,91,96,244
Expense Ratio	21 per cent.
Total Funds	Rs. 3,96,69,041
Total Assets	Rs. 4,18,29,071

The new business of the Company for the year under review stands at Rs. 1,11,55,00 *i.e.*, an increase of over six lakhs over the previous year. The total number of policies in force is 55,922 for Rs. 10,91,96,000 sum assured. Claims by death amounting to Rs. 10,54,551 and by maturity amounting to Rs. 25,15,451 have been paid by the Com-

pany. The expenses of management of the Company stand at the low figure of only 21 per cent of the premium income. The Life Assurance Fund of the Company, during the year under review, has increased by Rs. 19,88,263-3-11 and including the Life Assurance Reserve, Investment Reserve and Surrender Value Reserve Funds amounts to Rs. 3,96,69,041-1-1 and the total assets of the Company stand at the colossal figure of Rs. 4,18,29,071-12-10. The following extract from the speech of the Chairman will speak for itself as regards the cautious investment policy of the Company and in its Balance Sheet a very conservative idea of the financial strength and resources of the Company has been presented. The Chairman said regarding the investment policy of the Company :

When referring to the Company's investments at our last annual meeting I drew attention to the fact that an important feature in the year then under review was the severe depreciation in the market values of securities for which you will remember full provision of over Rs. 28 lakhs was then made. In view of the very substantial rise which has since taken place in the high class fixed interest-bearing securities which the Company holds a Valuation as at 28th February last shows that the aggregate market value of our invested funds exceeds by a very substantial margin the value at which the securities appear in our balance sheet without taking into account the Investment Reserve Fund of over Rs. 28 lakhs. Since then the appreciation in values has further increased. It is not our practice

to take credit for appreciation in the value of securities during the course of a quinquennium and you will, I think, note with satisfaction that no credit has been taken in the accounts for any part of the appreciation that has occurred and the certificate to the Balance Sheet gives a very conservative idea of the financial strength and resources of the Company.

The Empire of India is represented in the Eastern Divisions by messrs. D. M. Das & Co. Ltd., its Chief Agents for Bengal, Behar, Orissa and Assam of which Mr. A. C. Sen is the head. To Mr. Sen goes the credit of contributing the largest quota towards the total output of the Company's business. Mr. Sen has given the best part of his life time in the service of his Company and today he can truly congratulate himself upon the position which the Empire has attained through years of service. We wish the Company a long life of increasing prosperity and usefulness to the insuring public.

The General Assurance Society, Ltd.

The 26th Annual Report of the above Company for the year ending 31st December 1932 is lying on our table for sometime now. In spite of the fact that the trade depression which made its appearance early in 1930 did continue unabated during the whole of 1932 as well but it is gratifying to note that during the year out of 3052 proposals for Rs. 47,13,250 received, 2265 resulted into policies for the total sum assured Rs. 35,22,250 as against Rs. 31,66,500 of the last year showing an increase of Rs. 3,55,750. The Society's income from all sources during the year exceeded that of the last year by Rs. 71,545-2-10 being Rs. 13,29,504-15-8 as against Rs. 12,57,959-12-10 in 1931 and the assets amount to Rs. 48,73,627-13-9

showing an increase of Rs. 6,65,649-10-8 which is the largest recorded so far in the history of the Society. The Society is very much careful about keeping down its cost of management and inspite of a fair increase in new business the expenses have further gone down by 1 per cent and are now 27.5 per cent only. Claims by death arose in the case of 123 policies amounting to Rs. 2,25,601-6-0. Claims by maturity arose in case of 7 children endowment policies and 78 ordinary Life Policies amounting to Rs. 1,02,149-15-0.

General is one of our most progressive companies and it owes its present position to the power of initiative and business enterprise of Mr. P. D. Bhargova, its founder and General Manager. We understand Mr. Bhargova has been compelled to take leave owing his ill health and Mr. B. Roy of Bengal Branch is officiating in his place. We wish Mr. Bhargova a speedy recovery, and Mr. Roy all success in his responsible position.

The following figures would be of interest :

Year	Annual Income	Business in force	Life Assurance Fund.	Invested Fund
1908	1,285	21,729	200	3,558
1912	70,298	12,00,000	26,565	73,116
1917	1,08,166	19,44,018	2,15,733	3,25,133
1922	3,36,091	61,90,367	1,20,496	8,03,366
1927	7,18,355	1,28,95,891	16,91,263	21,35,231
1932	13,29,505	2,19,00,000	40,22,996	48,73,627

Bombay Life Assurance Company Limited

1932 has been a year of unqualified progress for the Bombay Life Assurance Company Ltd. During the year the Company issued 3199 policies assuring the sum of Rs. 63,54,500 yielding an annual premium income of Rs. 3,39,755, as against 3115

policies assuring Rs. 56,56,800 during the previous year. In regard to new business the Company has never shown zealous enthusiasm, but has always achieved its progress by cautious and steady steps.

The Life Assurance Fund of the Company as at 31st December, 1932, stands at Rs. 38,40,413. As regards the expenses of management, there has been a further reduction during the year under report, the ratio of expenses to total premium income having gone down by 3 per cent. The Directors have a mind to reduce it still lower having a stricter eye to economy and scientific management. The Company admitted claims by death amounting to Rs. 2,57,293 and by endowment amounting to Rs. 88,447 including bonus additions.

During the year under report, the Company has extended its operations to Singapore and the business progress there has been quite satisfactory.

The Directors recommended a dividend of 4 per cent and a bonus of 4 per cent per annum, free of income tax, to the shareholders for the year 1932.

The Company has now completed its 25th. year of existence. The Directors have a desire to celebrate the Jubilee of its 25th. year in a fitting manner very soon, to which the Chairman made a reference in the course of his speech. Sir Lalubhai Samaldas, KT., C. I. E., J. P., Chairman of the Company, while presiding over the last annual general meeting of the shareholders said :

Before making any remarks on the actual business, during the year, I want to refer to the fact that this year our Company completes the 25th year of its existence. We have, as you know, seen bad days in the early days of the Company's existence and have had to pass

through difficult times. As you know one appreciates happiness much better when he has known what adversity is and so to-day we are justified in feeling quite happy to see that our Company has attained a sound financial position. I am confident that the prosperity of the Company will go on increasing if we are able to continue to have the support and confidence of our clientele. I want to take this opportunity of offering my colleagues and my own sincere thanks to several Chief Agents, I need not give their names, who stood by us loyally in our difficult times. Our thanks are also due to the Manager, Branch Secretaries and the office staff for working in the best spirit for the future good of the Company. The Directors are thinking of celebrating the Jubilee Year in the manner befitting our Company and I shall thank you, those who are present at the meeting and those who have been unable to do so, to be present at the celebrations. It is proposed to celebrate this happy event by expanding the Company's activities so as to be able to do Fire, Marine, and Accident insurance business. To enable the Company to do this it will be necessary to alter the memorandum and Articles of Association. When all the preliminaries of the Scheme are settled the Directors will come to the Shareholders for approval and sanction of their proposal.

Hindu Mutual Life Assurance Ltd.

We have received a copy of the forty-second Annual Report together with a copy of the Balance Sheet of the above Company for the year ending 31st. December, 1932. During the year under report, the Company received 467 proposals of assurance for Rs. 6,24,250 and issued 426 policies assuring the sum of Rs. 5,53,250. The total number of policies in force as at 31st. December, 1932, was 2331 assuring Rs. 28,63,027. The Life Assurance Fund of the Company on 31st. December, 1932, stood at Rs. 5,15,660. 221 policies assuring Rs. 2,69,500 lapsed

during the year under review as against 363 assuring Rs. 4,67,000 during the previous year. Although this marks an improvement upon the previous year, yet the lapse figure is considerably high if one takes into consideration the new business of the Company. Improvement also took place in the direction of the revival of lapsed policies. 50 policies for Rs. 68,750 were revived during the year as against 22 for Rs. 2,4000 during the previous year. We hope the effects of heavy lapses may be adequately counteracted if the Company concentrates its attention on the revival schemes.

The Company has paid off Rs. 72,955 as claims during the year. The position of the Company regarding the settlement of claims is good.

The Company recently held a valuation as at 31st. December, 1931. The Table of Mortality used in the valuation was Om (5) Table with 5 years rating up. The rate of interest assumed was 5 per cent per annum. The valuation has disclosed a surplus of Rs. 1,919, and Mr. J. C. Sen, the Actuary, was of opinion that, "I hope that with the termination of the present economic condition which can not last long, the Company will be

able to show substantial progress at the next valuation."

Equity Insurance Company Ltd.

This Company has just been floated at Lucknow by that distinguished commercial magnate, Mr. D. C. H. Dinshaw who was till recently a partner of the firm of Messrs. Parakram and Co., The Managing Agents of the Probhat Insurance Co. Ltd. of Bombay. The General Manager of the Company is Mr. B. B. Dotto, until recently the Branch Manager of the Prabhat Insurance Co. Ltd. in Calcutta. This newly started Company offers to the policy-holders several attractive schemes and comparatively low rates of premium. Besides, policyholders of more than Rs. 3000 are eligible for the directorship of the Company. This Company offers the privilege of a paid-up policy after the payment of only 2 years' premium. This is really a bold departure from the existing general practice. In short, Equity Insurance Company starts under happy auspices and if its management is run with an eye to economy and strictest scientific principle we should suppose that this Company will find for itself proper support from the insuring public of India.



NOTES AND GLEANINGS OF THE MONTH

Sugar Conference

Government of India have invited the Ministers of Agriculture and Industries and their technical advisers from sugar producing provinces to attend a conference in Simla on July 10 to consider how orderly development of the sugar industry, which has expanded with remarkable rapidity, can best be secured with special regard to the interests of the sugar cane grower. Unofficial representatives of agricultural and sugar manufacturing interests of certain provinces are also being invited to the conference through provincial governments. The discussion at the conference will relate primarily to the following questions :

(1) Whether the present rate of development of the sugar industry is satisfactory, excessive or inadequate :

(2) Whether the benefits of protection granted to the industry are being fairly distributed between the different interests :

(3) Whether it is desirable and practicable to regulate relations between the sugarcane growers and sugar manufacturers, either by fixation of cane prices, zoning and licensing of factories or other means ; and

(4) Whether any legislation is necessary for better regulation of the Indian sugar industry :

Comments on the first question to be put to the Sugar Industry Conference next month may be found in certain statistics illustrating the recent development of the industry in

India. The following table compares the quantity of refined sugar imported into India during the last five fiscal years with the value of the machinery imported for sugar factories in the same period :

Year.	Sugar Imports. (tons)	Machinery Imports. Rs.
1928-29	869,000	9,21,079
1930-31	901,000	13,68,716
1931-32	575,000	30,11,110
	119,000	1,53,00,000

Japanese Ban on Indian Cotton

As apprehended in our editorial notes of this month which were obviously written sometime back, Japan has launched on a programme of retaliation against India in connection with the recent Indian imposition of a very high tariff against Japanese import of textiles. A *Reuter* message from Tokyo dated June 11 last states :

The general meeting of the Japanese Cotton Spinners' Association, attended by 61 member-companies, unanimously approved yesterday the resolution for suspending the purchase of Indian cotton immediately as a retaliation against the increase in the import duty on Japanese piecegoods into India.

India's attitude had obliged the Japanese spinners to take the undesired action of suspending the purchase of Indian cotton, which will be continued indefinitely, irrespective of advantages or disadvantages, until the

Indian and British Governments modify their attitude.

After the meeting, Mr. Fusa Jiro Aye, Chairman of the Association, in an interview, said that he took India's action as an economic challenge against Japan. He asked why India allowed the importation of British goods giving them 50 per cent preference if the Indian Government really aimed at the protection of Indian mills. "We are not desirous that Indian farmers should suffer as a result of Japan's suspension of the purchase of their products, but Japan has to defend her own industries," said he.

New Business Figures

We have received till now new business figures of the following Indian insurance companies :

Company	Year Ending	New Business
Oriental	31-12-32	5,94,00,727
National	Do	1,55,73,782
Empire	28-2-33	1,11,55,000
New India	31-3-33	1,02,00,000
Lakshmi	30-4-32	80,00,000
Bombay Mutual	31-12-32	75,65,000
Bombay Life	Do	63,15,500
Western India	Do	37,15,000
General	Do	35,22,250
Asian	Do	32,63,125
Zenith	Do	23,84,500
East and West	Do	20,82,000
People's	31-3-33	13,51,833
Indian Mutual	31-12-32	6,26,750
Hinda Mutual	Do	5,53,250
Popular	Do	3,03,500
Argus	31-3-33	3,01,250

A further instalment of this table will appear next month.

President Roosevelt Speaks

April 30, 1933, was observed as the President's Day in the United States of

America in honour of Franklin D. Roosevelt. Besides the municipalities, civic organisations and business enterprises, insurance men gave public expression to their gratefulness to President Roosevelt for his many messages of belief in the principles and worth protection. Only recently he said :

"Life insurance should be the first factor in any program of investment. It should be the last to be let go. In hard times it is especially important, and we should make every effort to keep our old life insurance in force."

Previously, to the *Spectator*, he wrote :

"The advantages of life insurance manifest every day in every community cannot be discounted. This form of insurance is part of our modern life. The best evidence of the benefits of life insurance and of the public's appreciation of those benefits is to be found in the fact that at the present time the policies in force in the United States aggregate \$100,000,000,000. That figure represents about one-quarter of our national resources as computed by our leading economists. To carry adequate life insurance is a moral obligation incumbent upon the great majority of citizens."

Frederick H. Ecker From Mail Boy to President

Frederick H. Ecker, President of the Metropolitan Life Insurance Company of New York, completed on May 6 last a half century of service for the Company, during which he rose from mail clerk to president as the Company grew from modest size to be the largest financial institution of the world. His career is a highly romantic one and will offer inspiration to many an aspirant for all to come. The following short account of the President's career is taken from the *Spectator* for May 11, 1933, and will be of considerable interest :

When, on a spring morning in 1883, young Ecker, a lad of 15 barely a year out of grade

NOTES AND GLEANINGS OF THE MONTH

school, reported for duty at the offices which the Metropolitan then occupied at 32 Park Place, he associated himself in the most lowly capacity with a Company which possessed hardly more than \$2,000,000 of assets and was only then beginning to recover from the financial hardships of the 70s, which at one time had threatened its extinction.

His early industry attracted the attention of the manager of the Company's real estate section, and his first promotion was to be assistant to the manager. Though his early preference has been for accounting work, he thus definitely cast his lot with the investment side of life insurance, and went rapidly on up the ladder. At 25, he was manager of the bond and mortgage division, in 1906 he was made comptroller, and a year later, when the office of treasurer was created, he was the first incumbent, and took charge of all of the Company's investments. He was elected a director in 1909, and when, in 1919, the late Haley Fiske was elected president after the death of John R. Hegeman, Mr. Ecker was named to succeed Mr. Fiske in the vice-presidency. Mr. Fiske died in 1929, and Mr. Ecker was elected president on March 26 of that year.

In 1906, Mr. Ecker, as treasurer, became the chief financial officer of the Metropolitan.

In the half century of Mr. Ecker's service, the Company's total business in force has increased from 531,018 policies for \$63,125,107 in 1883 to 12,672,118 policies for \$18,980,713,208 at the end of last year.

Although 12 of the 49 months of his term as president of the Metropolitan have fallen within the depression period, the Company's progress under Mr. Ecker's administration has been substantial. Compared with his position at the end of 1928 which was also the last full year of prosperity the Company's financial statement for 1932 showed an increase in assets of more than a billion dollars; a gain in insurance in force of more than two and one-half billion dollars and increase in

of more than \$89,000,000, and in annual dividends to policyholders of nearly \$25,000,000 a year. Payments to policyholders (including dividends) during the four-year period totalled nearly one and three-quarter billion dollars.

The boy of 50 years ago, who was the least of a handful of home office employees, has now become the directing head of an organization of nearly 50,000 persons, which is active in 11 of the 48 states and eight provinces of Canada and which affects the lives of every fifth man, woman and child in the two countries.

G. B. S. Advocates Nationalisation of Insurance

While on his recent American tour, George Bernard Shaw said in the course of one of his speeches :

Everybody deposits small or large amounts at a bank, which finds itself, after making full allowance for withdrawals with an immense reserve in hand, the bankers become therefore, the money powers, the political powers, and the religious powers, and all nations who leave their destinies in the hands of a few financial magnates are crazy.

Therefore, the banks must be nationalised. *And here, I must interpolate, is the finest and strongest argument for the nationalisation of insurance, many of companies of which possess a strangling effect upon workers, industry, and commerce, by virtue of the misapplication of their vast reserve and investments. (Italics ours.)*

Insurance in China in 1932

A writer in the "*China Clipper*" makes a very detailed study of Chinese insurance development in 1932. We give here certain salient features of insurance in China during 1932 from that article. Insurance companies

with the special problems arising from world wide economic depression but also with the unprecedented situation created by the Sino-Japanese hostilities and ensuing events. Regarding fire losses in China during the year it is impossible to estimate the results of the years' working of China fire accounts. Well informed insurance men consider it probable that the year's experience was not, on the whole, favourable in comparison with past years. In the field of marine insurance, marine premium income suffered a serious decline due to the slump in trade coupled with two months of virtual paralysis of Shanghai trade channels and disturbed conditions in Manchuria throughout the year, although there were fewer total losses on the China coast during 1932 than in recent years.

Only two new companies were launched in China during 1932. Leading British companies continued, as during 1931, to abandon the writing of business in Manchuria. Life insurance continued to make great strides throughout China and although no figures are available it is believed that the 1932 production exceeded that of any previous year despite the handicap of low silver and world wide depression. The plans of the Chinese government for the establishment of an insurance system with the nation-wide Chinese General Post Office are said to have made a considerable advance during the year although the scheme has not yet come to fruition.

Insurance of Air Passengers

The Imperial Airways has been able to make an arrangement with the Aviation Insurance Company and a group of Lloyds

underwriters whereby insurance policies at a rate as low as 1s. per day per £1,000 can now be issued for passengers travelling by the Company's liners. This places passenger air insurance on an entirely new basis and is a clear recognition of the fact that from an insurance view-point travelling by air now-a-days is as safe as journey by boat or train. In aerial travel for some time past the speed of goods transport by air, and more particularly the security to be obtained in the air dispatch of fragile or valuable articles, have been so well recognised that aerial insurance rates, so far as freight is concerned, have been appreciably lower than for any form of surface transport. But such has not been the case in respect of passenger transport by air insurance Companies being not prepared to underwrite air risk for anything less than 12s. per day per £1,000.

Indian Boycott Affects Natal Coal

A special message of *The Hindu Cable* from Pietermaritzburg dated May 17, 1933, states :

The uncertainty caused by the boycott of Natal coal during the last two years in India was referred to by one of the leaders of the Natal coal industry to-day.

It was still problematical, he said, what attitude the Indian Congress would take and after the lapse of over two years, one cargo had just been sent to Bombay. The industry had suffered as a result of the two years' campaign.

The Congress boycott is understood to have been launched because of South Africa's repressive policy regarding its Indian population.

A Statue of Surendranath ?

The Corporation of Calcutta have never failed to show their sense of appreciation of the service rendered by our national leaders to the Corporation or the civic life of Calcutta. We have received with sincere approval the idea of the Corporation to present a civic address to Sir R. N. Mookerjee on his attaining the 80th year.

May we suggest in this connection that a statue of Surendranath Banerjee, the father of Indian nationalism and the author of the Calcutta Municipal Act should be erected on some important public place? We are told a rich contracting firm of this city has promised to make a present of a big statue of Sir Surendranath to the Corporation. If that is so, the Corporation can well afford to avoid the legal quibbles and party polemics standing in the way of making the statue. We would be glad to find the statue erected in a prominent public place of this city by which some respect may be shown to the memory of our great countryman.

Scindhia Steam Navigation Company Ltd.

The Scindhia Steam Navigation Company has taken over the agency of the Bengal Burma Steam Navigation Company in accordance with the decision of the shareholders of the Bengal Burma Steam Navigation Company held early this month.

In a speech Mr. Master, General Manager of the Scindhia Steam Navigation Company Ltd., appreciated the endeavours which were made in Bengal from time to time to further the cause of Indian shipping and expressed his gratification at the patriotic spirit of the people which enabled them to build up and keep alive the Bengal Burmah Co. in

spite of powerful vested interests continuously trying by every possible means to wipe them out of existence. Every speaker assured Mr. Master that the Scindhia Co. would receive their fullest support and co-operation in their new endeavours to keep the flag of Indian shipping flying in this part of India and appealed to him to increase the number of vessels to meet the requirements of the travelling public.

Insurance Law for Goa

The *Official Gazette* of Portuguese India of April 18 publishes a draft bill governing the operation of insurance business in Goa. The bill which will very shortly be discussed at the Government Council contains, among others, clauses under which permission to operate insurance business in the territory of Goa can only be granted individually to some particular agent of an insurance company. The agent thus authorised cannot transfer the exercise of his agency to another person. Every agent's application for permission to transact business shall bear the signature of the applicant duly attested to by a notary public in Goa.

Tanganyika Textile Imports in 1932.

The following comparative statement showing the quantities of cotton piece-goods and blankets imported into Tanganyika Territory during the years 1932 and 1931 is reproduced from the *Board of Trade Journal* :—

Description.	Country of Origin.	1932. Yards.	1931. Yards.
Cotton piece-good Unbleached	Total	11,032,031	13,815,780
	India	1,072,931	3,430,702
	Japan	9,225,918	10,064,431

Description.	Country of Origin.	1932 yards.	1931 yards.
Bleached	Total	2,656,159	2,723,251
	United Kingdom	141,963	527,803
	India	133,162	237,881
	Holland	322,292	603,101
	Japan	1,683,754	1,299,516
Printed (other than Khangas)	Total	3,682,071	1,111,192
	United Kingdom	311,005	197,808
	Japan	3,136,321	916,392
	India	76,511	20,750
Dyed	Total	9,621,161	7,613,677
	United Kingdom	1,701,953	1,115,717
	India	2,151,500	3,588,522
	Holland	222,511	713,115
	Japan	5,160,629	1,563,662
Coloured	Total	3,711,005	3,188,119
	United Kingdom	157,551	130,782
	India	579,800	721,185
	Holland	122,980	510,786
	Japan	1,377,956	1,967,711
Blankets		No.	No.
	Total	297,123	212,331
	United Kingdom	7,838	18,921
	India	38,162	11,511
	Belgium	17,108	9,016
	Holland	96,011	146,669

NOTE.—The above figures are final, all adjustments having been made.

It will be seen from the above table that Indian exports to Tanganyika have declined considerably except in regard to printed cotton goods alone.

"China Clipper" Merges with "Commercial Asia"

The *China Clipper*, a welcome monthly visitor from Shanghai, which has an international reputation in insurance journalism, has been amalgamated with the *Commercial Asia* which, according to its editor, is a non-

political reporter of economic and industrial progress in the far east. In an announcement the editor states that while *Commercial Asia* will be in the strictest sense of the word a new magazine, it starts with a heritage of no inconsiderable value handed down by the *China Clipper*, being fundamentally an expansion of that well-established insurance journal of the far east. We wish the new journal a career of continued success and usefulness.

Birthday Honours for Insurance Celebrities

We offer our hearty congratulations to Mr. N. B. Saklatvala, Chairman of the New India Assurance Company Limited, and Hon. Mr. H. M. Mehta, Chairman of the Zenith Life Assurance Company Ltd, Bombay on their having been honoured with a Knighthood of the British Empire on the occasion of the King Emperor's Birth Day Celebration, 1933. We also congratulate heartily Mr. R. B. M. G. Deshpande, Chairman of the Nagpur Pioneer Insurance Company Limited, on his having been made a C. B. E. on the same occasion.

Mr. G. C. Bhur Passes Away

With the passing away of Mr. G. C. Bhur at the age of eighty on the 8th May last, Indian insurance stands distinctly poorer. Mr. Bhur was one of those pioneers of insurance salesmanship who early realised the scope of insurance in India and made a mark in the field. He worked for several British insurance companies for nearly fifty years beginning from 1877 when hardly any indigenous institution carried on any considerable business. Besides being a successful businessman, he was a loving friend.

honest worker and sympathetic master. In his retired life also he did not cease to render service to the public. He was President of the Union Board and a Honorary Magistrate of his native Sub-division. May his soul rest in peace !

Mr. H. C. Chakravorty

In place of Mr. T. N. Gupta resigned, Mr. H. C. Chakravorty has been appointed Manager of the Calcutta Sub-Office of the Bharat Insurance Company Ltd., of Lahore. Mr. Chakravorty has also been elected General Secretary of the Indian Insurance Institute for the present session. We offer our congratulations to Mr. Chakravorty.

Insurance Herald

The Office of the *Insurance Herald* will be removed to 309 Bowbazar Street, Calcutta, on and from July 1, 1933. Correspondence and remittances should be sent to the new address from the above date.

Mr. H. D. Mehta

Mr. H. D. Mehta, Managing Director of the Northern India Insurance Company Limited, Lahore, has been elected by the Indian Chamber of Commerce, Punjab, their Representative on the Lahore Advisory Committee, North Western Railway.

Provident Insurance Journal

We welcome the *Provident Insurance Journal*, a monthly which will make its first appearance in July next and will be devoted primarily to the cause of provident insurance societies in India. Mr. B. Guha Thakurta

has been entrusted with the editorship of the paper. We reserve our comments till we see its first issue.

Mr. B. Roy

Mr. B. Roy, Manager, Eastern Division of the General Assurance Society, Ltd, has been appointed to act as General Manager in place of Mr. P. D. Bhargava, F. S. S. (London) who has gone on leave for 12 months with effect from 15th May last.

Northern India Insurance Co. Ltd.

Dr. Priya Nath Bala of Calcutta, insured his life with the above Company for Rs 2000 on the 4th June, 1932. He died of small pox on the 1st January, 1933, after paying only the first premium. The Company settled the claim with conspicuous promptness.

Indian Mutual Life Association Ltd.

Mr. Debesh Chandra Banerjee of Babupara, Jalpaiguri, has been recently appointed Organiser of the Indian Mutual Life Association Ltd. for North Bengal. He was formerly Chief Agent for the same territory of the United Assurance Ltd.

The Late Sir Zulfakar Ali Khan

We note with deep regret the death of Sir Zulfakar Ali Khan, M.L.A., which sad event took place on the 25th May last. He was a Director of the Tropical Insurance Company Ltd. of Delhi, and the office of the Company was closed as a mark of respect to the deceased. *

Prabhat Insurance Co. Ltd.

We are glad to note that Mr. D. N. Ray, B.A., has been appointed Secretary of the Calcutta Branch of the Prabhat Insurance Company. Mr. Ray was formerly an Advertising Agent of "Forward," now defunct, and began his insurance career as a successful Organiser of the Bombay Mutual Life Office.

Andhra Business Competition

We have pleasure in recording here that Mr. Ramesh Sarkar, Agency Superintendent of the Andhra Insurance Co. Ltd. at Calcutta has won the first prize in a business competition which the Chief Agency of the Company held recently among its workers for a period of six months.

Mr. Nalini Ranjan Sarker

We congratulate Mr. N. R. Sarker on his being elected a Fellow of the Calcutta University.

Dr. Roy's Narrow Escape

A daring burglary took place in the house of Dr. S. C. Roy, Managing Editor of the *Insurance and Finance Review* and Life Manager of the New India Assurance Co., Ltd, at 7-1 Dover Lane, Ballygunge, Calcutta. Getting the scent of an unwelcome visitor in the house, Dr. Roy found out the burglar and seized him who at once whipped out a dagger in order to free himself from the clutches of Dr. Roy. In the scuffle that ensued Dr. Roy received two or three knife injuries on his person none of which fortunately was serious. He is progressing favourably.

Dr. Roy wishes to thank his friends and colleagues who have so kindly sent congratulatory messages on his narrow escape.



THE INSURANCE & FINANCE REVIEW

Mng. Editor—Dr. S. C. Roy, F.C.C.S. (Lond.), F.R.E.S. (Lond.)

Editor—MONINDRAMOHAN MOULIK

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Editorial

Bubbles !

The foremost problem in post-war economics is the contest between economic nationalism and economic internationalism. Economic nationalism has been always a fact, and economic internationalism is still now a utopia. Individual countries would meet together and deliberate in a conference in order to advance their individual causes, while The League of Nations would argue that a millennium may only be brought about by international consent. This contest was brought to its classic relief in the recent deliberations of the World Economic Conference in London. Economic nationalism is now as strong a passion as any other form of nationalism, which rests upon the idea of self-sufficiency provided by the means of production which can be adapted to the special circumstances of all countries.

America always depended upon her home market and ruthlessly followed a scheme of protection for centuries. Great Britain allowed her agriculture to decay in order to obtain and maintain her lead in export trade and in manufacturing efficiency. She is now eager for protecting her agriculture, and we think this protectionist policy will be carried on till Great Britain can ensure for herself a virtual independence in regard to her food products. Even Ireland under Mr. de Valera is providing the world with an extreme example of the doctrine of economic self-sufficiency to the utter disappointment of those who had forecast an inevitable crash of Irish industries and agriculture outside the Ottawa plan.

Now, the pertinent question to be asked to politicians is how far these appearances may be kept up and to what extent this game

of self-deception may be indulged in. The problems of currency, tariffs, price stabilization, war debts and many others were on the agenda of the World Economic Conference, and it is a pity that the Conference would have to adjourn without arriving at an agreement in regard to a single question. In the meantime international trade has shrunk to 27 per cent during the last three years, and the stocks of primary agricultural products and other raw materials have tended to accumulate. The index of world stocks for 1932 was double that for 1925. Industrial activity has also dwindled down everywhere, although there has been some reduction in the unemployment figures in Great Britain as direct but temporary effects of the Ottawa Agreement. There is uncertainty in every business due to currency instability and fluctuations in foreign exchange. Everywhere there is chaos, and a credulous world looked up to the World Economic Conference that would devise some panacea for all these evils. It is rather difficult to estimate what course would economic tendencies take, and how far they would in the near future be influenced by political considerations all over the world. But it is almost definite that economic trends will persist along nationalistic lines for some more time to come.

India is supposed to have been represented in the World Economic Conference by a team of brilliant economists and politicians.

So far as the individuals are concerned we have no reason to minimize their importance, but so far as the representative character of the delegation is concerned we are constrained to find a complete lack of the sense of proportion on the part of those who were responsible for the selection of delegates. We have appreciated Sir P. Thakurdas's gesture of refusing to work on the Consultative Committee of the Conference and Mr. Nalini Ranjan Sarker's asking the former to lodge a complaint against the method of selecting delegates to the Conference. So long as the public will not be taken into confidence, there is but little chance of the Government's actions being approved and supported by the public.

A politician in the garb of an innocent altruist piping out bubbles into the air from the lather produced with the soap of goodwill and water of brotherhood,—that is an artist's conception of the World Economic Conference. (See cartoon elsewhere in this issue). Have the bubbles burst?

Sir Rajendra Nath Mookerjee

Sir Rajendra Nath concludes to-day his eightieth year and Bengal very fittingly makes it a day of national rejoicing. The life and career of Sir Rajen is remarkable in many ways, and in a sense he is an enigma to the genius of Bengal. Born in the midst of penury and privation Rajendra Nath had to face an unfriendly world while quite young

in life. Early in his teens young Rajendra Nath lost his father and in the grim struggle that ensued he found in his illustrious mother all the vigilant care that only a father could provide, and to-day not a little of Sir Rajen's success is due to the earlier training that he received at the feet of this illustrious lady. Sir Rajen began his life at the lowest rung of the ladder and he has attained to the top by his many personal qualities that are not the distinction of many. Sir Rajen's success in the realm of business is Bengal's assertion of position in the mercantile world of India. Bengal is proud of him.

Sir Rajen's life offers some wholesome lessons to those who have raised the cry that Englishmen are not ready to carry orders from Indian official superiors. A large number of civilians have joined the cry and a reply has been long overdue. Sir Rajen's life is an answer to these pin-pricks. Those who have known Sir Rajen and his gigantic institution know how gladly his legion of English officials carry out orders from this patriarch with not a shrug of shoulder. And Sir Rajen has not given anybody an opportunity to raise such a cry—the cry of a spirit of overweening egotism. As we all know, the Iron King of Bengal is not merely a stern patriarchal task master ruling over a thousand of officers, Indians and Englishmen, but he is full of humane virtues which the rugged life of such a busyman does not

always accommodate. If he is great as a businessman, he is infinitely greater as a man—a man of heart. Four years back this Review started life with the blessings of Sir Rajen; to-day the Review takes the proud privilege of offering its respectful felicitation to this great man—great as a builder and greater as a man.

Indian Irrigation

The official review of irrigation in India during 1930-31, has at last been published. The report serves no useful purpose so far as its topical interest is concerned and soon falls into the domain of a historical record-keeper.

We hope the report would be published much earlier in order to provide the publicists and students with some real benefit which would justify the maintenance of the department in question out of public revenue.

India now possesses a very extensive system of irrigation enundating vast tracts of land, barren until lately, and can claim to have the largest irrigation project in the world. During the year, 1930-31, the total area irrigated by Government works of all classes in British India amounted to 31 million acres, which was slightly below the previous record of 31·6 million acres irrigated in 1929-30. In view of the depressing times there is not much room for grievance. Besides, it has been estimated that when the various works at present in course of construction are in full working order the total area irrigated by government works in British

India alone would be 40 million acres, and that, ultimately, allowing for the natural expansion of existing schemes the acreage irrigated by Government works will not be less than fifty millions. Considering the period for which the report gives figures, that is before Lord Willingdon formally opened the Sukkur barrage, the irrigable area in British India is far larger than any other country in the world during the same period. The comparative figures are as follows :

	1930-31 Million Acres
British India	31
United States	20
Japan	7
Egypt	6
Spain	3½
France	3
Chile	3
Java	3

So far as the question of returns on capital invested in the irrigation projects in different provinces are concerned, it is very creditable that the capital sunk in such projects has borne out excellent returns. The following would show the position in several provinces :

Province	Area under cultivation million acres	Yield
Punjab	11	12·64p.c.
Madras	7·6	6·17 "
United Provinces	4	4·96 "

Although Bengal being more or less a marshy province and being less in need of irrigation than the other provinces mentioned above, has several peculiar problems of its own to face.

The problems of drainage and siltage in Bengal are very acute. Not only there is the

vital need of keeping open some waterways route to Eastern Bengal, there is also the grave necessity of checkmating the devastating floods which frequently visit the province with dire consequences, due to faulty drainage. The Report observes in this connection, "The Grand Trunk Canal Project is still kept in abeyance pending further consideration of the scheme." This Report refers to a period since when two years have passed by, and the Grand Trunk Canal is still in abeyance. The public do not know anything about the activities of the Waterways Trust which was formed for considering and starting this plan.

Indian irrigation has to its credit not only the successful carrying out of several big projects, but also the earning of a fair dividend on the capital laid out. The Sukkur barrage in Sind, the Cauvery Metter in the Madras Presidency, the Sutlej Valley in the Punjab and the Sarda Canals in the United Provinces are several of the very biggest irrigation projects in the whole world, while the Tungabhadra scheme mooted last year as a joint enterprise between the Governments of Madras and Hyderabad will, when carried out, be no mean compeer of the above. India has invested over Rs. 130 crores in irrigation, and the gross revenue in the year 1930-31 was Rs. 12 crores and gross expenditure Rs. 5 crores, the net return on the capital being 4.6 per cent. With more successful working of the administration the revenues will, we hope, increase greatly and will thus yield better returns on the already invested capital.

Insurance and Socialism

- By FRANK C. BANCROFT

The fundamental idea behind the original and still most common form of insurance (*i.e.*, life-insurance, with a surviving beneficiary in mind) is socialistic. If the purest and therefore the crassest kind of individualism completely held sway, no one would be sufficiently concerned about the future of another to incur, for his safety, present and personal financial obligations. As soon as one man begins to worry and plan about the economic welfare of another, the germ of socialism has begun to develop.

Among the other riches of George Bernard Shaw, his *An Intelligent Woman's Guide to Socialism* is a clear development of the point that consistent economic individualism is unthinkable in any type of society. Because a man is blind, he does not refuse to pay his share of taxation for street-lamps; or because he never crosses a particular bridge once in a decade, he does not fail to realize that its erection is for the public good, and thus, eventually, beneficial to his own private interests.

Therefore, it is not the problem of the modern world whether or not to become socialistic; rather, as in almost all human concerns, the real question is a quantitative one: How far shall we socialize? Only the idiot (and I believe the stem of the word idiot is related to that of idiosyncrasy, and other words denoting peculiarity and individualism) can live, die, think, and earn (perhaps) in his own little private universe. Therefore, in more than an epithetical sense, the type of sheer *laissez faire* individual

economics which so much characterized America in the nineteenth century, is now increasingly seen to have been plainly idiotic. And so, perhaps, is the Monroe Doctrine, its enlarged and credalized counterpart.

One of the greatest opportunities of the insurance business in the future will lie in the direction of not only accepting a dynamically socializing world and adapting to it, but recognizing in it an enlarged opportunity for service and profit. The very fundamental idea of socialism is the provision for all, and not for a privileged few, of a sufficiently great minimum economic stability to liberate the general life from the carking care of living continually on the edge of the abyss of penury. If the newly developing insurance profession of India can, from the start, envisage its task as co-operating in such a broad tendency, it will win for itself not only a sound and promising financial basis, but an important place in the welfare of the new India which is coming to birth day by day.

It is a strange paradox that America, which has witnessed perhaps the most phenomenal growth of insurance and its most remarkable technical progress, has, to date, conspicuously failed to recognize its social possibilities. Those forms of insurance which are most characteristically social, *i.e.*, unemployment insurance, old-age insurance, state widowhood insurance, etc., are in that country decidedly less developed than in many a smaller one where the technical science of insurance is in a much less advanced stage. It reminds one of a child evolving, through

its ingenuity, a most marvellous toy-machine ; but through its immaturity and lack of vision, having almost no comprehension of the wonderful uses to which it might be put.

In a welter of change (all of which has by no means been for the good) one of the indisputable assets of our Modern Age is a growing conviction that the lower classes, those who make food, clothing, and the basic essentials of life available for the rest of us, have a right to expect as a result at least the assurance that they shall not die of sheer social neglect, as they have done, and, to a tragic extent, are still doing. They themselves are coming to understand their importance for the first time in the history of civilization. If to-morrow all the priests, school-teachers, government officials, journalists, and insurance men in, let us say, India and America, suddenly went *hors de combat*, there might be a certain social embarrassment as a result. But life would be somehow pulled on. How different if the proletariat suddenly ceased to work ! If no food were grown ; if no cloth were spun ; if no refuse were removed ; if no public conveyances, local or long distance, were driven ; if no meals were cooked or served ; what an absolute chaos would descend upon us in three days !

As long as a man can be kept ignorant of his worth, he can indefinitely be exploited with very little return ; but let him once know that you cannot get along without him, and he turns into a very different kind of being—and rightly so. This is what is happening all over the world among the proletariat, whether we call them factory-workers, *rayats*, peasants, or *harijans*. The old mendicant policy of asking favours from the bottom is

coming to be as out of date as the philanthropic one of graciously bestowing them from the top. It is coming to be seen in its true light as a matter not of kindness, but of fundamental rights.

Two basic ways commend themselves to most of us for dealing with this situation—heavier and heavier taxation on the incomes and inheritances of what in America we call “the upper brackets,” and the utilization of sums thus acquired for the good of the common people. Some of this money will be allocated to the construction of public works, which will doubly benefit the people by furnishing employment both in construction and in operation, and also through the nature of the work done. From the broadest view, this is in itself insurance ; it is society’s insurance that society, and not a chosen clique, will benefit. And alongside it, will be a growth of what is more technically known as insurance, for the remaining part of this increasing revenue will go actually into policies for the protecting of the most important sector of society, *i.e.*, those who labour.

One of the spices which lend taste to business life is a sense that what one is doing is indispensable to the public good. Every decent man would like to feel that in the process of earning rupees for his private means he is at the same time doing work which is socially useful. If the Indian insurance profession conceives its task from the beginning in terms resembling those above-outlined, it can become perhaps the most important profession in the establishment of that economic stability and social justice which is one of the very greatest needs of the country.

Railway Losses—a Myth ?

By S. K. BANERJEE

President, Indian Motor Transport Workers' Union, Howrah

The present-day cries for co-ordination, co-operation, etc. mean nothing but centralising powers in the hands of a group of capitalists and their co-workers, the experts. This is an age of experts and syndicators—the more we are crying for democracy the more we are placing ourselves in the hands of Experts, Company Prospectors, and Syndicators. The monarchy is being supplanted by “expert-archy.”

If we study the reason for breaking up India into respective administrative units, we find in it the admission of administrators that the country is too big for a central administration ; with the idea of democracy running amock, the old divisions according to geography are going to be replaced by various centralised expert departments, bossed by our industrial, scientific, economic, administrative and engineering, experts. The present proposal for co-ordination of roads and railways is a subject to the point over which many busy brains are working.

It will be interesting to study the gradual progress of this idea which first emanated from the managements of the light railway companies, which are but part of local village politics ; these gentlemen finding their days rapidly slipping off from their hands appealed to the Central Government for help ; but lest their claims on the Central Government be dismissed on the ground of their being purely local concerns, these people were shrewd enough to bring in the bigger railways to add to their strength.

The Managing Agents of the Light Railway companies instead of pleading their own case started pleading for the entire railway system in India : in their petition dated the 12th August, 1932 they complained of a “back of policy” which to them appear to exist due to the fact “that whereas Railways are a central subject, roads are under



S. K. Banerjee.

provincial and local governments, whose revenues are not affected by the loss of railway traffic,” and they suggested “that it can only be bettered by the appointment of a Member under the Central Government to be in charge of all forms of transport with a view to the co-ordination of all types of communication, viz. Railways, Roads, Water and Air.” “They forgot the subterranean—however, this may be put in as an amendment. In the next paragraph the Managir

Agents of Light Railways urged that with a view to tackle the immediate question as to the most economic regulation of traffic as between Rail and Road a strong departmental or other committee should be appointed to make an exhaustive enquiry into the whole position."

Immediately after we find a short amending Bill presented to the Legislative Assembly to empower the railways to engage themselves in any kind of transport by air, water, and land; side by side an enquiry was started by two government officials and by the month of February the public were presented with a voluminous report running to several hundred pages (the correct number can not be given as each part is page-numbered separately and this Report is a masterpiece of co-ordination); every part is independent of the other, no consecutive page number from beginning to end—it would take the patience out of a man to turn to the contents and then to find out the reference. The report was produced so hurriedly that no arrangement or sequence is visible in the work—same as the working of the railway system—no head, no tail and no body. The Reporters tried to collect some figures, and they themselves are not sure of their grounds to plead for the loss on railways. Any layman with a superficial knowledge could produce such a report, no experts required—an advocate would do better.

The fate of the amending Bill is still hanging in the balance; in the meantime the Central Government called an official conference and a few outsiders, all interested in Light Railways and road construction materials, to consider the report and along with it the working results of the amending

Bill. Everything was scheduled to time but for the unfortunate interference of the Indian Motor Transport Workers' Union, who exposed the whole scheme; the publication of the White Paper confirmed their misgivings and now on the plea of better economic management the provincial and local self-governing bodies are going to be deprived of all their roads and revenues therefrom. The ministers of Local Governments who attended the Conference were opposed to the scheme; they would not part with their roads, as parting with the roads means parting with the road revenues, as well as the share of revenue from petrol tax, license fees, wheel taxes, etc.

What is now to be done is the question; should the Local Governments give up their roads and subordinate themselves to the dictation of a Statutory Board (to be formed as proposed in the White Paper) which will not be responsible to the Indian Legislature but to be more under British capitalistic groups than under Indian political parties; at least, this has been openly said in more than one place.

On paper and platforms the pleadings for co-ordination hear nice, they preach theoretical economy, but in everyday practice the results prove otherwise. It is absurdly impracticable for a central office at Delhi to understand the necessity or otherwise of a village road in Coimbatore or in Murshidabad. For the follies of railway projectors who at first laid the lines parallel to roads are the public going to hand over their rights and prizes to a central body not responsible to the Indian legislature?

I have argued the case elsewhere *ad infinitum*, I need not repeat them here; but may I ask how the railways can at all claim

an immunity from competition and hold all the monopoly-right not only on their own tracks but on the Kings' highways, which the public had been enjoying free from the days of Adam and built from their money when nobody dreamt of the steam railways? Will anybody explain how the railway companies can claim such an immunity when they are giving up their legal fares in favour of individual firms? Should the claims of any company be considered as to be losing concerns when as a matter of fact they were making charities in lakhs to individual firms in spite of laws and regulations to the contrary? The case is most extraordinary for the reason that though there are other firms engaged in the same industry but they were not getting any rebates or preference as the other two companies referred to herein. The allowance of such rebates when earnings were declining should have been discontinued when the wind appears falling; when the railway authorities did not do any such thing I see no reason to entertain their demands to compete indiscriminately with private business to make up their loss. These private parties did not ask for any guarantee on their capital investments or any monopoly right to protect themselves from any competition. If such be the rewards for taking risks and not asking for any concession or subsidy from the authorities then no private individual would in future dare enter into any business, likely to earn profit; from the trend of events and claims of the interested railway group it seems that in future the State will be free to take up any business in which private individuals were making any profit.

We are being told that the railways have been losing heavily and that the motor transports run by private parties are responsible

for same. We have it from the report of Messrs. Mitchell and Kirkness that the loss amounts to about 2 p. c. on this account. Even this loss of 2 p. c. is said to be on the high side because railway administrations agree that the figures take no account of the appreciable short distance traffic, now carried by buses, which was formerly carried by country carts, etc., and which, even in absence of motor transport, would not come to the railway. The reporters admit of their having no means of estimating this traffic but still they feel it to be a substantial factor not to be overlooked. They, however, make no mention of the losses incurred by the railways voluntarily by allowing rebates to certain particular firms in preference to others, though as general or "common carriers" the railways can not give "undue preference" to any individual or firm. There are certain firms who are being given undue preference in the carriage of raw materials from various destinations to the workshops and in the carriage of finished products from the workshops to the Kidderpore Docks. These manufactures and the raw materials are of such heavy and unwieldy nature that they can not be carried by any other means of transport than the railways; therefore there appears no reason for this solicitude on the part of the Railway authorities to allow rebates on such class of traffics. Further, by giving preference to these two particular factories the Railway authorities are giving them "undue preference" as there are other firms near by doing the same nature of work; such preference is detrimental to the interests of the particular industry. Should such preference be allowed to continue on these hard days? Should not the authorities who allowed such

rebates be forced to make good the loss to public money ?

As general carriers the E. I. Railways are not supposed to give such preference. Moreover, owing to the present rapid and regular decline in earning, it is a matter of great concern whether it is proper to allow such rebates or preferential treatment at this critical time when every attempt is being made to increase railway earnings by raising rates and figures and by claiming new fields of activities, such as coal-fields, road motor services, etc. From the figures at my disposal I find that two companies of Iron and Steel manufactures are being systematically granted rebates, and their figures are :—

No. COMPANY (1)	Rs.	No. COMPANY (2)	Rs.
1928	7,27,725	1928-29	1,94,830
29	8,87,575	29-30	2,28,175
30	7,10,378	30-31	1,02,063
31	4,42,467	31-32	15,908
32	3,00,000		

We are entitled to enquire what was the original idea in allowing these two particular firms such special treatment, under what circumstances and for what period. Is it because that the Managing Agents of these two firms are also the Managing Agents of several light railway systems ? It is to be considered whether such a concession should fall under the category of "concession" as it is but fair to treat each individual alike, and this is most probably the intention of Sec. 42 (2) of the Indian Railways Act of 1890. If so, it should be decided whether it should come under "undue preference" which is a broad term and includes almost every form of undue preference, prejudice, advantage or disadvantage between different traders, localities or different classes of traffic.

In this connection serious attention should be given to Sub-sec. (1) of Section I under section 3 of the Inter-state Commerce Act of America (U. S. A.) which lays down :

"That it shall be unlawful for any carrier subject to the provision of this Act to make or give any undue or unreasonable preference or advantage to any particular person, company, firm, Corporation or locality or any particular description of traffic in any respect whatsoever or to subject any particular person, company, firm, corporation, locality or any particular description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatsoever."

Further, "undue preference" may, as a rule be divided mainly into three groups, viz :—

- (i) Discrimination between persons,
- (ii) Discrimination between localities,
- (iii) Discrimination between commodities.

"Personal discrimination" may further be defined as charging one person more than another for substantially the same service or providing one person better service than another at the same rate."

In this connection the Keck-Cumine Act of 1890 (in America) may be referred to, which provides that

"If any 'common carrier' directly or indirectly by any special rates, rebates, drawbacks or other device charges, demands, collects or receives from any person or persons a greater or less compensation for any service rendered or to be rendered in the transportation of passengers or property or the transportation of intelligence subject to the provisions of this Act, than it charges, demands, collects or receives from any other person

or persons for doing for him or them alike and contemporaneous service in the transportation or transaction of a like kind of traffic or message under substantially similar circumstances or conditions such 'common carrier' shall be considered guilty of unjust discrimination which is prohibited and declared unlawful."

The above are the views of American law-givers, let us now see what the British law-givers say on this point. The Section 42 (2) of the Indian Railways Act of 1890 is almost a reproduction of Sec. 2 of the Railway and Canal Traffic Act of 1854, Sec. 43 of the Indian Railway Act (1850) also corresponds to Sec. 27 of the English Act of 1866. Such discrimination or preference is not persistible there by the statute to "common carriers." The only question now is whether this preference, concession or rebate can be called "discrimination" under Sec. 42 (2) of the Indian Railways Act (1890). If so, it is to be decided whether this "discrimination" as illustrated in the case of the two companies referred to before should come under "undue preference"—a term which includes almost every form of undue preference, prejudice,

advantage or disadvantage between different traders, localities or different classes of traffic.

I know the Railway authorities are not going to argue out the case against my interpretation of the case but when they could allow such heavy sums to two companies only then may there not be many more of such cases for which the earnings show a decline ? I don't know if the Railway administration could afford to forego such large sums to two parties only then why spread your tentacles to suck the life-blood of a few private *buswallahs*, who make no distinction or allow no rebates to particular parties ? Is it not amusing that the Managing Agents of the above-mentioned companies receiving preferential treatment are the very same parties interested most in the proposed Railway Amendment Bill, and the co-ordination of roads and railway systems under one Statutory Board for the first time mentioned in the White Paper ?

How can a subject people make out an independent living if the Govt. of the country engages itself in Banking, Insurance, Provident Funds, Co-operative Society, Railways and Road transportation etc ? Are we supposed to live on services only and not on business ?

A TRIBUTE TO LIFE INSURANCE

The appointment of Sir Cyril Atkinson as a Judge of the High Court recalls the following tribute which he paid to life insurance during the report stage debate on the Finance Bill in the House of Commons on 17th July, 1930.

"The difference between insurance and other saving is that, ordinarily speaking, a man saves at the last what he has not spent on pleasure and the like during the year, but in the case of insurance it is a first charge on income. It is the first thing a man pays, and he pays it even if he has to go short of something else. Therefore it is a form of thrift which, in a sense, acts by compulsion, and it is one which the State has regarded as worthy of encouragement."

Insurance Law And Practice

Some Interesting Problems

By SOHRAB R. DAVAR BAR-AT-LAW,
Principal, Davar's College of Commerce, Bombay
(Continued from the previous issue)

SCHEMES OF ASSURANCE

The modern prospectus of an assurance office is full of varying assortment of schemes on which policies can be taken. The Company's experts are busy thinking out plans, more or less original, with a view to attract business in these competitive days. One can secure policies on almost any footing to meet his financial position, the "whole of Life Policy" is now practically out of date and endowment systems are so multifarious that one can pick out a type which may suit the most fastidious imagination. The payment of premiums also can be arranged on varying scales on the "limited payment" or "ascending scale" plan. For those who wish to provide for education of their children when they attain the college-going age, a large number of projects are open to select from. Estate Duties on large estates can also be covered through policies specially offered for that purpose. In short Assurance as a provision for dependents on death now takes a smaller place in comparison with assurance as a medium of safe investment.

NON-FORFEITURE PLANS

The old idea that the Policy should lapse on non-payment of premium is now too old-fashioned. The modern companies arrange that instead of lapsing, the policy after certain number of premiums are paid, gets

fully paid, in the same proportion as the total amount of the premiums bears to the total sum assured. The amount generally reserved, to fall under this privilege, being about the total premium of two years. Others provide for an automatic advance of premiums as loan at a small interest within the limits of surrender value. Thus the hardships of old days are avoided, such as lapse of policy when the assured is lying ill and relatives are either ignorant, or too excited to attend to these questions. The non-receipt of premium notice is not uncommon through change of address or otherwise and companies do not take any responsibility in this connection. Even in those extreme cases where policies lapse, relief is given if the assured came up within a reasonable time say a year or two of the date of lapse, and goes through the formality of a fresh medical examination and payment of arrears.

PROOF OF AGE

The law as to this is clear, *viz.*, that a mistake in representation of age avoids the policy. (*Attorney-General v. Rag, L. R. 9 Ch. 397.*) The Companies, however, are reasonable and where the error as to age is not deliberately fraudulent, they are prepared to adjust the payment by recovering the additional premium in case of the discovery of an older age than that originally declared, or to refund same in case the age declared is younger than the current age. It is always

best to get the age proved and admitted at the very inception. Failing certificate of birth, any reasonable evidence, such as the original horoscope, entry in the family Bible, even a university certificate or extract from Government Record in case of public servants, are readily accepted. In some cases failing everything, a declaration on oath from a relative is agreed to.

SETTLEMENT OF CLAIMS

It is to the Assurance Companies concerned, a simple business proposition, that prompt settlement adds to its prestige and popularity. Proof of death by a death certificate and certificate of identity is the first step. The next feature is the title of the claimant which has to be proved by probate or letters of administration, and in case of small estates by Certificates of Title from the Administrator General. The prospectuses give a general guidance to the uninitiated layman in this direction. On payment the company is entitled to the return of the policy.

INDISPUTABLE POLICIES

Some companies (particularly American and Colonial) issue what are known as Indisputable Policies with a view to escape the hardships entailed by rules of law as to warranties and representations. They are sometimes also known as "Indefeasible Policies." The stipulation no doubt debars the issuing company from resisting the claim on the ground of concealment or misrepresentation so long as there is no fraud and the contract is not against public policy. The stipulation is not only found in the policy, but is a statement in the prospectus in which case the prospectus will be read along with the policy and the stipulation enforced even though it may not have been incorporat-

ed in the policy. Of course, such a policy can be challenged on the ground of the assured having no insurable interest. The clause runs more or less as follows :

"That every policy issued by the company shall be indefeasible and indisputable and the fact of issuing same shall be conclusive evidence of the validity of the policy ; and it shall not be lawful for the company to delay payment of the money assured thereby on the ground of an error, mistake or omission, however important, made by or on the part of the person or persons effecting such insurance ; and that on the contrary the amount so assured shall be paid at the time stipulated by the policy, as if no error, mistake or omission has been made or discovered."

It may be noted that in case of "Indisputable policies," to prevent the possibility of dispute, the age of the assured should be proved and admitted, and a practice prevails with all offices in case of this class of policies, to satisfy themselves on all important points, and then, except in the case of fraud, not to raise questions when the time for payment arrives. In case of insurable interest even if the same be admitted on the policy the fact will not bind the company, that being a question of public policy.

In one case a company issued an "Indisputable policy," in which it was clearly stated that in absence of fraud the policy would be indisputable after it was in force for two years and that no *bona fide* mistake which might have crept in the Application Form or any other document or statement made prior to the issue of the policy, should prejudice the validity of the policy. The assured died after two years and the company disputed the policy on the

ground of a mis-statement in the proposal and urged that the proposal being the basis of the contract the policy never attached. The Court over-ruled that objection and called the defence of the company "fraudulent nonsense." (*Anstey vs. British Natural Premium Life Association Ltd.* 99. L. T. 765.) It may be here added that when the company has given a policy, whether it is indisputable or otherwise, and thereafter the company finds that fraud or wilful misrepresentation has been practised on it, the company is entitled to insist upon the assured delivering up the policy with a view to be cancelled.

In case of a married woman she may effect a policy for her separate use on her own life or on that of her husband and all benefit insured to her, the contract being as valid as if made with an unmarried woman. In this case even if the husband pays the premium he does not acquire a lien on the policy unless there is an express agreement to that effect.

It is a common practice for a husband to effect a policy on his own life and expressly state therein that it is so effected for the benefit of his wife, or for the benefit of his children or for the benefit of his wife and children. In all these cases there is a trust created in favour of the wife or children as the case may be, and so long as the object of the trust is alive the husband has no control over the policy nor does the policy form part of his estate. Here, even if the husband is adjudicated insolvent the policy remains the property of the wife or children. This is, however, subject to the interest of the husband in the policy in case the wife or children were to die during his life-time, in which case he

would inherit the interest in the policy as their heir.

Whether the policy so effected for the benefit of his wife or children would ensure for the benefit of the after married wife, or the second wife, or of the children by a subsequent marriage, depends on the wording and construction of the policy. Generally speaking such a policy would extend to the second wife as well as the children by subsequent marriage unless a contrary intention is expressed in the policy.

PREMIUMS

Strictly speaking, *i. e.*, on the footing of actual Actuarial calculations, the risk at the time the life is young, *i. e.*, during earlier years, is lesser compared to that prevailing during advancing age. On principle, therefore, during earlier years, lower premiums should be charged, and the scale must be gradually increased as life advances. In practice, however, they are levelled down, and a uniform scale is charged with the result that during the earlier years premiums are "loaded", *i. e.*, higher in amount, whereas in the later years they are lower than the normal scale. Level premiums are usually known as "Level Annual premiums," whereas premiums which gradually increase with age as described above are called "Natural Annual Premiums." The Natural Premium system has practically died out and the modern system universally rests on Level Premiums. Of course, at each renewal, it is usual to allow 30 days of grace.

LOANS ON POLICIES

From the standpoint of Life Office finance, loans on policies on the footing of their surrender value form the best investment. Practically speaking offices are

willing to advance nearly the whole of the cash surrender value on the policy-holder filling up a form of mortgage. The interest will depend on the rate prevailing at the time the loan is taken. Some companies fix a rate at which they are prepared to advance at all times, whereas others follow the Bank rate. Generally the loans are not called in until a claim occurs under a policy. The mortgage may be an "Equitable Charge" under which the policy-holder deposits the policy as security for a loan on which he agrees in simple memorandum to pay interest half yearly or yearly on certain fixed dates. On failure to pay any premium or interest within the days of grace the policy becomes void.

In the case of a legal mortgage, a more elaborate document is naturally prepared. The principal points covered by the same are ; (1) that the borrower or mortgagor agrees to repay the amount with interest as provided in the bond upon six months' notice. In some cases the actual date of repayment is specifically mentioned ; (2) the date of the payment of interest is usually made to coincide with the date of payment of the premiums *i. e.*, when the premiums are payable half-yearly, interest is also payable at the same interval. (3) The policy-holder assigns the policy to the company as a security. (4) In the event of failure to pay interest the company reserves the option either to forfeit the policy or surrender it to itself and recover the loan, interest and all other expenses. (5) A clause provides for the redemption by payment, and re-assignment of the policy to the mortgagor at his cost. (6) A clause provides for the punctual payment of

premiums. (7) All reversionary bonuses allotted to the policy are liable to be taken away by the mortgages without mortgagor's consent. (8) Frequently there is a clause by which the company agrees to advance additional loans for the payment of unpaid premiums, provided that can be done under the surrender value margin. It may be added here that although in a bond in case of legal mortgages of the policy it is stated that the mortgagee will have a lien on the policy, also for any premiums he may have to pay to keep alive the policy in case the mortgagor fails to do so, it is not strictly necessary. The result is that the equitable mortgages acquire the same right even in the absence of the clause, it being implied at law. (*Re Kerr's Policy* 38 L. J. Ch 539.)

UNDERSTATEMENT OF AGE

In case where the age is understated through an honest error the life assurance contract always provides for an adjustment. One of the two alternative methods is employed, *viz.*, (1) to make the assured pay the difference of accumulated premiums between the correct and the incorrect age, with interest, or (2) to reduce the sum assured to a figure proportionately appropriate to the lower premium. The second of these two methods is preferable from the standpoint of a life office, because in many cases the error is not discovered for a considerable time and large interest gets accumulated in the meantime which has to be paid along with the arrears of excess premiums, which are not easy to recover from the insured with fixed and limited incomes. From this it must not be thought that a statement however innocent as to age in the proposal form would not avoid the policy according to strict inter-

pretation of law. The proposal forms the basis of the contract which is strictly construed. The policy in such cases does not attach at all and if the assurance company chooses, it can as soon as it hears of the misstatement, return the premiums paid and declare the whole transaction to be at an end. (*Hemmings vs. Seepre Life Association* 1905, 1. Ch, 365.)

REMOVAL OF SURCHARGES AND EXTRAS

Frequently either due to bad health or defective family history an extra premium is charged by companies at the initial stage, and later health gets improved or the assured passes that critical age when his family history would have a deleterious effect upon him, say in case of family history dotted with tuberculosis. Here applications for a revision of the scale of premium are considered. The general tendency is to discourage such applicants, except in case of such disorders as hernia, where a successful operation radically cures the defect and removes the risk. This is because the very

basic principle of life assurance is here violated, the office having already shouldered the risk at the critical period. A concession is sometimes made where the assured is prepared to effect an additional assurance and is ready to submit to further medical examination. Of course, in cases of surcharge made for hazardous occupations, if the assured gives up that occupation and proves that his health has not suffered meanwhile, the removal of the whole or part of the extra premium is allowed. Here it should be noted that even where the policy is issued at an extra premium and there is an express clause to the effect that "in case the cause which entailed this extra did not exist any longer, the company would if satisfied reduce the rate," such a clause would not confer any right on the assured but only constitutes a discretion vested in the Board of Directors of the Assurance Company concerned in the exercise of which one way or the other, the court will not interfere. (*Manby vs. The Gresham Life Co.*, 29 Bear. 439.)



Thirty-five Years of Indian Economic Thought, 1898-1932

By SHIB CHANDRA DUTTA, M.A., B.L., B.C.S.

(Continued from the previous issue)

The *Report of the Indian Industrial Commission* published in 1919 may be regarded as, in a special sense, the starting point of contemporary economic thinking in India. Economic research by Indian scholars as distinguished from Indian politicians and publicists is essentially a post-War phenomenon and is barely half a generation old. The first half (1919-25) of this post-War period was rich in the commissions of inquiry instituted by the Government as detailed below :

1919. Babington Smith Committee on Indian Finance and Currency, Report : 1920.

1919-20. Stores Purchase Committee : Report.

1920. Chemical Services Committee : Report.

1920-21. Acworth Committee on the Administration and Working of Indian Railways : Report.

1921. Bengal Committee on Industrial Unrest : Report.

1921-22. Assam Labour Inquiry Committee Report.

1921-22. Indian Fiscal Commission : Report.

1921. South African Asiatic Enquiry Commission : Report.

1922. Bombay Industrial Disputes Committee : Report.

1922-23. Inchcape Retrenchment Committee : Report.

1923-24. Indian Mercantile Marine Committee : Report.

1924-25. Indian Taxation Inquiry Committee : Report (1926)

1925. Indian Economic Inquiry Committee : Report.

1925 : External Capital Committee : Report.

1925. Raven Committee on Railway Workshops : Report (1926)

1925-26. Hilton Young Royal Commission on Indian Currency and Finance : Report.

The output of Indian economic thought is being described in the following list :

1919. Basu, P. C. : *Indo-Aryan Policy*.

1919. Dutt : G. S. : *A Practical Scheme of Agricultural Organization and Rural Reconstruction in Bengal*, Pamphlet.

1919. Gandhi, M. K. : *Indian Home Rule*.

1919. Kale, V. G. : *India's War Finance and Post-War Problems of Currency Reform in India*.

1919-25. *Indian Journal of Economics*, Allahabad.

1919. Rai, L. : *England's Debt to India*.

1919. Rawley, R. C. : *Report on Inquiry into the Utilization of Indian Silks in Great Britain and France*.

1919. Sarkar, Benoy : "Americanization from the View-point of Young Asia" - a study in immigration and labour legislation (*Journal of International Relations*, U. S. A.)

1919. Tannan, M. : *Banking Needs of India*, a pamphlet.

1920. Balkrishna : "Labour Condition in India" (*M.R.*)

1920. Ball, U. N. : "Indian Currency and Foreign Exchange" (*M.R.*)
1920. Sarkar, Benoy : "The Economic Foundations of the State in Sukra's Political Theory" (*M.R.*)
1920. Bose, P. N. : *Economic Aspects of the Montagu-Chelmsford Reforms.*
1920. Chatterjee, H. S. : *Introduction to Indian Economics.*
1920. Dcole, C. S. : "Stability of Exchange" (*I. J. E.*)
1920. Dubay, D. S. : "The Indian Food Problem" (*I. J. E.*)
1920. Law, N. N. : "Lines of Economic Reconstruction" (*Indian Business*)
1920. Nunda, G. L. : "Labour Unrest in India" (*I.J.E.*)
1920. Sarkar, Benoy : "*Gilde di mestier e gilde mercantili nell' India antica (Giornale degli Economistie Rivista di Statistica, Rome).*"
1920. Shah, D. A. : *Indian Point of View in Economics.*
1920. Tamhankar, K. V. : "Agricultural Education."
1921. Chatterjee, P. : "The Exchange Question."
1921. Dubay, D. S. : *The Way to Agricultural Progress.*
1921. Choudhury, N. C. : *Jute in Bengal.*
1921. Iyer, K. V. G. : *Indian Industrialism.*
1921. Kale, V. G. : *India's War Finance and Post-War Problems.*
1921. Panandikar, S. G. : *Some Aspects of the Economic Consequences of the War for India.*
1921. Mukerjee, R. K. : "Conflict of Economic Types and Regions".
1921. Ruthnaswami, M. : *The Political Philosophy of Mr. Gandhi.*
1921. Sarkar, Benoy. : "Economics of Indian Guilds" (*Journal of the Indian Economic Society, Bombay.*)
- The Positive Background of Hindu Sociology, Vol. II. Part I (Economic) "The Public Finance of Hindu Empires" (Annals of the American Academy of Political and Social Science, Philadelphia.*
1921. Shah, K. T. : *Sixty Years of Indian Finance.*
1921. Tiwari, R. S. C. P. : *The Indian Railways.*
1922. Bhalla, R. L. : *An Economic Survey of Bairumpur.*
1922. Bose, G. C. : "Education with reference to Agriculture" (*M. R.*)
1922. Das, R. K. : "The Problem of Woman Labour" (*M. R.*)
1922. Davar, S. R. : *Business Organization.*
1922. Gandhi, M. K. : *Young India (1919-22).*
1922. Ghosh, J. : *A History of land Tenure in England.*
1928. Joshi, R. M. : *Indian Export Trade.*
1922. Kale, V. G. : *The Dawn of Modern Finance in India.*
1922. Lahiri, S. K. : "Indian Fiscal Policy"
1922. Narayan Murti, K. S. : *Position of Middlemen in Village Industries, a Pamphlet.*
1922. Ram, D. R. : *Present-Day Banking in India.*
1922. Roy, M. N., and Mukerji, A. : *India in Transition.*
1922. Sarkar, Benoy. : "*Die Soziale Philosophie Jung-Indians*" (*Deutsche Rundschau, Berlin*); "Germany's Chances in India's Overseas Trade" (*Export-Import Review, Berlin*); *Vartaman Jagat* (Modern World), Volume on the U. S ; economic chapters.

1922. Sarkar, J. N. : "State Industries in Moghul Empire" (*M. R.*)
1922. Shah, K. T. : *Indian Currency Banking and Exchange.*
1922. Vakil, C. N. : *Our Fiscal Policy.*
1822. Viswanatha, S. V. : *Interest on Loans in Ancient India.*
1923. Ambedkar, B. R. : *The Problem of the Rupee.*
1923. Banerjea, P. N. : *Fiscal Policy in India.*
1923. Banerji, K. C. : *Bharate Durbhiksha (Famine in India) in Bengali.*
1933. Banerji, K. P. : *Madhyayuger Bangla (Medieval Bengal)*
1923. Bhatnagar, B. G. : "The Bases of Indian Economy" (*I. J. E.*)
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Bubbles !

The Struggle of Nationalities in Upper Silesia

(From Our Warsaw Correspondent)

If we want to appreciate correctly conditions created by the Geneva convention in the German and Polish sections of Upper Silesia, we must bear in mind that—for more than six hundred years past—Upper Silesia has ceased to belong to the Polish State, but has been connected, both politically, and economically, with Germany. If the period of less than two hundred years during which Alsace belonged to France was sufficient to turn the sympathies of that country towards French civilisation, it stands to reason that the connection between Upper Silesia and the rest of Germany must be very intimate indeed ; and this is borne out by the actual situation. Every observer is struck by the fact that Upper Silesia contains a large number of inhabitants who—although they habitually speak a mixture of German and Polish or even a more or less pure Slavonic dialect,—are thoroughly German in their thoughts and feelings.

It is in line with this development that the number of votes cast for the Polish candidates in connection with the parliamentary elections in Germany and Prussia is so exceedingly small in relation to the votes cast for the German candidates and that this number is regularly decreasing. Everyone who has a first-hand knowledge of Germany knows that the secrecy of voting is absolute and that every voter is able to record his vote entirely uninfluenced by outside interference. For this reason the figures given in the sub-joined table—which summarise the election

results since 1922—may claim additional importance.

The figures are as follows :

Elections for : German votes. Polish votes. Percentage of Polish votes.

The Reichstag			
on Nov. 19, 1922	454,275	51,190	10.1 p. c.
The Reichstag			
on Dec. 7, 1924	498,783	42,051	7.8 p. c.
The Provincial Diet			
on Nov. 29, 1925	374,370	29,023	7.2 p. c.
The Prussian Diet			
on May 20, 1928	560,960	34,306	5.76 p. c.
The Provincial Diet			
on Nov. 17, 1929	506,394	30,519	5.67 p. c.
The Reichstag			
on Sept. 11, 1930	629,829	36,866	5.5 p. c.
The Prussian Diet			
on April 24, 1932	672,061	27,616	3.95 p. c.
The Reichstag			
on July 31, 1932	683,239	14,565	2.1 p. c.
The Reichstag			
on Nov. 6, 1932	653,678	12,098	1.82 p. c.

These figures also explain why the number of children attending schools for the Polish minority of the German part of Upper Silesia is comparatively very small, amounting to just over 500. The inference is that there are but few parents who desire to have their children educated in accordance with Polish civilisation, whilst preferring that they should be incorporated with the national German community as a whole. It is, therefore, incorrect to say that the German Government is less liberal in its interpretation of the minority convention than Poland, and to substantiate such an allegation by reference to the fact that far more educational facilities are provided for the German minority on the

other side of the frontier and that the attendance at these minority schools is far larger. The true position is that the explanation of this discrepancy must be sought in the century-long association of Upper Silesia with Germany, which has survived the forcible partition of the country, with the result that there are large multitudes of German families in the part now assigned to Poland who insist upon a German education for their children.

Another circumstance which shows that the German Government pays scrupulous regard to the rights of the minority is that a very large number of mayors and chairman of parish councils elected by the Polish minority—even including those who exercise police powers are regularly confirmed by the authorities. In the Polish part of Upper Silesia conditions are quite different. With the exception of the mayor of Tarnowitz, no mayors or chairmen of parish councils elected by the German minority have been confirmed by the Polish authorities, their places being taken by commissars appointed by the Government and selected from the Polish section of the inhabitants.

It follows from the foregoing that the difference in the conditions prevailing in the two portions of Upper Silesia—the German and the Polish one—can only be correctly understood if it is remembered that the German connections of the country, grown strong under the influence of historic development, are still as vivid as ever. The Geneva convention, indeed, owes its origin to the recognition of this fact. Economically, the country can only thrive if the interdependence of the two portions upon one another is acknowledged. Moreover, the numerous ties between families now living on different sides of the frontier have not been severed by the partition. Every unbiassed critic who makes a detailed study of the conditions must therefore arrive at the conclusion that Germany makes every endeavour to accord the fullest possible measure of protection to the Polish minority, thus applying the Geneva convention in conformity with the letter and with the spirit of the document, and in true accordance with the will of the population as evidenced by the elections.



EUROPEAN INSURANCE INTELLIGENCE

(From Our Berlin Correspondent)

BERLIN, JULY, 1, 1933.

Italian Insurance under 10 Years' Fascism

The Italian Minister of Commerce has recently published some interesting figures showing the favourable development of insurance business in Italy for the decade 1922-32.

These figures apply to the Istituto Nazionale, 105 Home Companies and 49 Agencies of Foreign Companies.

The capital paid up has risen from Lire 197 Millions to Lire 509 Millions, i.e., by 158 per cent, whereas the capital reserves have risen from Lire 573 Millions to 638 Millions.

The number of Life policies being in force has nearly doubled and was at the end of 1931 1,065,000 covering a total capital insured of Lire 15,560 Millions which means an increase by Lire 10,851 Millions or 230 per cent. against 1922.

The premium income has risen still more i.e. from Lire 197 Millions to Lire 253,337 Millions which makes 348 per cent.

The Home Companies writing the other classes of insurance business are also showing an increase by Lire 209 Millions in the premium income which has risen to Lire 723 Millions whereas the foreign Companies have only realized a slight increase by 9 per cent. i.e., to Lire 103,881,000.

The business transacted by the national Companies are to a great extent Italian. Their premium income as in addition to State Life Insurance was for 1931 Lire 2,369,930 of which Lire 1,797,000 (76 per cent.) have been written in the country.

Insurance in Bulgaria

At the end of 1929 there were existing in Bulgaria 22 joint-stock Companies representing a total nominal capital of Leva. 87,82 millions, of which 93.4 per cent. had been paid up i.e. Leva. 81,82 Millions.

In the year 1930 there has been funded one Company with a capital of 2 Millions and liquidated one Company with a capital of Leva. 3 Millions.

Besides that there have been paid up further recently Leva 39 Millions in addition to the capital already paid up and 10 millions of capitals fully paid up have been increased. At the end of 1930 there were in existence 22 Companies with a total nominal capital of 96,82 Millions of which 91,21 millions have been paid up.

In the course of the year 1931 there have been founded despite the intensification of the economic crisis two new Companies in connection with two Companies being in liquidation representing a total capital paid

up of Leva 9 Millions. There was for 1930 an increase in capitals by 30 Millions.

In the beginning of 1932 the total number of Insurance Companies was still 22 representing a total nominal capital of 127,82 Millions Leva of which 123,25 Millions have been paid up *i.e.* 96.1 per cent. Whereas since 1929 the number of Insurance Companies has remained unchanged, the capitals paid up have risen by 81,82 Millions to 123,25 Millions Leva *i.e.* by 50,7 per cent.

Besides that there are operating in Bulgaria 15 foreign Companies of which one is Austrian, one Spanish, one Swiss, five French, three German, two English and two Italian.

German Motor Insurance

As will be known the General Insurance Conditions forming the basis of the German Motor insurance stipulate that the difference in the value of a new piece or part substituted for an old one is for the account of the assured which is certainly a fair principle seeing that one of the fundamental ideas of the insurance contract is that insurance shall under no circumstances lead to enrichment.

According to an official report a deviation from this principle is now being made by the well-known "Agrippina Concern," of Cologne, which recently declared that they had made up their mind to renounce in future time on any deduction for the replacing of old pieces to new ones in order to assist on their part the Government in the measures already taken for a revival of motor business and motor traffic one of these measures being, as will be known, the non-taxation of new autocars and the reduction of official taxes for old ones.

No doubt this decision of the Agrippina will influence the attitude of the other Motor insurers, but as according to official reports it is being proposed by the Government and has also been agreed to by the Motor Insurance Companies to reduce the premiums for both casco and third party insurance in order to support further the measures taken officially in the interest of the Motor industry, it remains to be seen what will be the practical effect of this decision of the Agrippina seeing that, as is also being reported officially, this reduction of premiums—including by the way also a reduction of the commission which will be made by way of an agreement between all Companies operating in Germany and belonging to the Association of Motor Insurers will on the one hand put an end to the actual, unsound state of underquoting of premiums which had already been reduced to a minimum and lead to the re-establishment of a uniform tariff being binding for all Motor insurers; on the other hand it is to be expected that with this reduction of premiums the General Insurance conditions existing so far and having been fixed for all Motor Insurers by the German Board of Control will have to be modified in the shape of new conditions being, however, binding for all parties concerned and excluding, it is to be expected, a deviation such as is being proposed by the Agrippina, apart from the material impossibility of making any special allowances after the further reduction of premiums proposed by the Government.

French Motor Insurance

In Germany it is nearly impossible to cover the casco insurance for motor trucks; a few Companies accept only the third party

risk. In France, however, there has been formed some years ago a Syndicate by the Motor insurers for the insurance of motor trucks and the risk was divided between the companies belonging to the Syndicate. The reason for the foundation of a Syndicate was attributable to the intention of gathering in this way the necessary practical experience in this particular branch of motor insurance business. This Syndicate has been dissolved on the 10th March of this year and the risk

in question is since that time being covered by each Company separately. The reason for the liquidation of the Syndicate was the fact that the insurers in question had in the meantime been able to gather the necessary experience to the effect that it is now possible to bring out a tariff which is founded on a relation basis. Only by means of this Syndicate it has been possible to find, without any losses of importance, the basis for a reasonable tariff.

Paying premiums sometimes creates exasperation. Not paying them begets desperation.



THE STUDENTS' FORUM

Prof. S. B. Ackerman has presented in non-technical terms in the form of questions and answers several important decisions in insurance suits rendered by the Courts of Law, in the pages of *Insurance Advocate* of New York, for June 10, 1933 :

LIFE--PREMIUMS WAIVER

Question.--An assured paid and the company accepted premiums on a life policy after the same were due over a course of years. The assured died. The company refuses to pay on the around the policy had been forfeited for non-payment of premiums. Can the beneficiary recover ?

Answer.--The company in the course of its dealings with the assured led him to believe that it was perfectly alright for him to pay the premiums within a reasonable time after the same were due. The provision of the policy providing for forfeiture in case premiums were not paid on the due date was thus waived by the company. The beneficiary therefore can recover on the policy of insurance.

Peterson v Cosmopolitan Old Line Life Ins. Co. 248 N. W. 312.

LIFE MISREPRESENTATIONS

Question.--An assured in reply to several questions contained in an application for a life policy stated that he was in good health. The assured was in fact afflicted with a fatal disease of which he had no knowledge.

The company contends that the policy is void. Is the company's contention correct ?

Answer.--The alleged false statement by the insured in the application are representations. Before the company could avail itself of the falsity as a cause for cancellation, it must show that, such statements if false, were made knowingly. Knowledge of the falsity of the representations is a necessary element of an action for false representations. The preponderance of the evidence shows that the insured did not know he was afflicted with any disease at the time of the receipt of the policy, and that all the answers made to the questions asked, either by the medical examiner, or in the application, were made in good faith and to the best of the assured's knowledge. The policy is, therefore, valid and the company is liable to the beneficiary for the entire face amount thereof.

Mutual Life Ins. v Mauckler 21 P 2d 804.

FIRE--MORTGAGEE CLAUSE

Question.--A fire policy containing a standard mortgage clause provided, that the policy would be void as against the mortgagee, "if a change in ownership comes to his knowledge and he fails to report the same to the company." The mortgagee failed to report a change of ownership which came to his knowledge. A loss occurred. Can the mortgagee recover ?

Answer.—The effect of the mortgagee clause was to create a separate and distinct contract between the mortgagee and the insurance company. The clause provides that the policy shall be null and void in the event that the mortgagee fails to give the company notice of any change of ownership which comes to his knowledge. Notwithstanding the plain terms of the mortgagee clause it is insisted by the mortgagee that his failure to give the company notice was merely a breach of a covenant for which an action for damages would lie and not a breach of a condition which would render the policy void. The mortgagee's contention is untenable. The mortgage clause renders the policy void as far as the mortgagee's interest is concerned if he fails or neglects to report a change of ownership or increase of hazard which comes to his knowledge.

Phoenix Life Insurance Co. vs. Aetna Ins. Co. 59 S. W. (2n) 517.

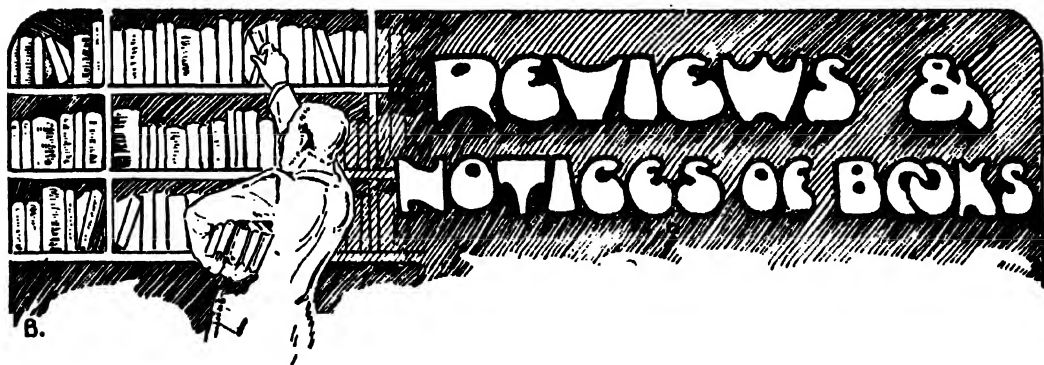
LIFE—PRESUMPTIVE DEATH

Question.—An assured being short in his accounts at the bank where he was employed left home and was not seen or heard from for more than seven years. The beneficiary seeks to recover on the policy on the ground that assured is presumptively dead. Will the beneficiary recover?

Answer.—In order to warrant a finding of a presumptive death by an unexplained absence for seven years it must be shown: (1) That nothing has been seen or heard of the person during that in period by those persons most likely to hear, and (2) That diligent inquiry on the part of relatives and friends have proved unavailing. It is claimed that absence of the insured for more than seven years is explained by the fact that he was a defaulter in his bank. This fact alone is not sufficient to overcome, as a matter of law, the presumption of his unexplained absence for over seven years if reasonable efforts to learn of his whereabouts were made. The term, unexplained absence, does not necessarily mean that if one of the reasons for the disappearance was the commission of a crime, that a presumption of death cannot arise in the absence for seven years. The rule is that a continued and unexplained absence of a person for seven years, notwithstanding efforts of relatives to locate him creates a question for the jury on the issue of death, even though the original disappearance occurred when the insured was a defaulter to a large extent.

Radskier v North Western Life Ins. Co.
243 N. W. 295.





DEPARTMENT OF PUBLIC HEALTH—
GOVERNMENT OF BENGAL—UPLIFT
WORK OF THE DEPRESSED CLASS—
WASTAGE IN BENGAL. *Published by the
Government of Bengal, Publicity Department.*

These are some of the tracts published by that agile Publicity Department of the Government of Bengal to speak for themselves at a time when nobody has a word to put in for them. H. G. Wells once very pertinently put that the bold headline of a newspaper is a brigand of thought. What that great man meant to point out was that publicity now-a-days makes half the business and the other half is left to itself. At last the Government of Bengal have found themselves obliged to put forth in bold print their many achievements in several departments of Bengal's national life and the corresponding misdeeds of the apostles of disloyalty in the person of the impudent Congressman. But unfortunately, after what has been done by the government towards public health, towards bringing in a new heaven and new earth for the depressed classes, we have not found any tangible result accruing from the governmental auspices. Nor have we been able to appreciate the logic which seeks to foist the blame of Bengal's woes on the devoted shoulder of the present political movement. This is, of course, publicity with a purpose. However, we can only congratulate the Government of Bengal on their agility and enthusiasm with which they have set themselves to the task of justifying themselves.

S. B. ROY CHOUDHURY.

STONE AND COX ACCIDENT INSURANCE YEAR BOOK, 1933. *Published by Stone and Cox Ltd., Africa House, Kingsway, London, W. C. 2. Pages 871-111. Price 7-6 Net.*

The latest edition of the *Stone and Cox Accident Insurance Year Book* has maintained its tradition and record of past ages. In the compass of over one thousand pages, the publishers have incorporated all the various aspects of accident insurance business, and have presented them in a thoroughly intelligible manner. The book is divided into four chapters and contains five appendices. The outstanding peculiarity of the book is to be found in the inclusion of an introduction of its legal aspects and fundamental principles before the statement of every branch of accident insurance. Chapter I deals with personal accident, permanent sickness and accident, and coupon insurances. In Chapter II, we find an elaborate treatment of the various aspects of property insurance, *e. g.*, baggage, cash in transit, householders' and houseowners' comprehensive, storm, tempest, flood, road vehicles, plate glass, hailstorm, livestock insurances etc. Chapter III deals with insurances of liability. The Law of Negligence, Settlement of Third Party Claims Motor Insurance etc., are some of the special features of this chapter. Chapter IV contains insurances of interest, *e. g.*, Building Society Indemnity, Fidelity Guarantee, Contract Guarantee, Loss of profits, and Reinsurance etc. The appendices give the summaries of insurance offices transacting business in the United Kingdom, head offices

and officials, insurance institutes, insurance officers and brokers etc.

The general get-up of the book and the arrangement of reading matter are excellent. This volume will prove highly useful to all insurance officers and workers who have anything to do with any branch of accident insurance. We congratulate the publishers on their bringing out this Year Book which is indispensable for the reference library of every insurance office.

A. B. C. OF INSURANCE SALESMANSHIP: *By S. N. Gupta. Published from 47-1 Hazra Road. Pages 16. Price 4 as.*

This booklet is primarily a compilation of the most authoritative and useful sayings and writings on the subject of life insurance salesmanship. The author has shown an extra-ordinary judgment in the selection of extracts from the leading newspapers and has concentrated in the rather narrow scope of forty six pages of print all that a young entrant in the field of insurance salesmanship ought to know, which makes it all the more remarkable.

Mr. S. N. Gupta is one of the pioneers in the profession of salesmanship in India. He has contributed more than anybody else to the raising of the tone and dignity of insurance salesmanship in this country, and can now look

back upon the record of his past achievements with a considerable amount of pleasure, if not pride. We highly appreciate the offer of Mr. Gupta to distribute the booklet free to all persons engaged in the profession to which he belongs, whoever may ask for a copy.

M. MONTIK.

CLIVE STREET: *Edited by Manindra Mohan Montik and Sudhanshu Bikash Roy Choudhury. Published from 11, Clive Street, Annual Subscription Rs. 3-8 ; Single Copy 6as.*

Three months back when the above journal was published as a vernacular organ of Trade and Commerce, there were misgivings in no few quarters as to the possibility of its success in the dull and dreary field of commercial journalism. Bengal. To-day, the paper can well congratulate itself upon the manner in which it has been successful to silence all jarring notes by the high standard of excellence both literary and otherwise--which the journal has reached by placing a variety of excellent readable matters interspersed throughout the paper from cover to cover. "Clive Street" is a bold venture; it requires a good deal of resourcefulness to combine literary embellishment with hard facts of the day-to-day business world. The success it has achieved in its task is really remarkable.

KUSUMOHAN DAS.



CURRENT TOPICS

Capital Expenditure on Indian Railways

The above was the subject of a lecture delivered by Prof. L. A. Natesan, M. A., B. L., at the Indian Institute of Economics, Calcutta, on May 12, 1933. Prof. Natesan has made a thorough and searching study of the problems of railway administration and railway finance, not only those obtaining in India but also those prevalent in other industrially developed countries of the world. We quote below a few extracts from his speech which will throw a flood of light on our own problems :

The aggregate effect of the expenditure of new Capital on our railways has been to increase the Interest Charges by Rs. 942 crores from Rs. 2390 to Rs. 3332 crores in 1932. The main difficulty experienced by the Indian State-owned Railways at the present time is their inability to meet their Interest Charges and the responsibility for this state of affairs has been attributed to the last Capital programme. Any decrease in the Capital outlay would have meant a corresponding relief in the Interest Charges. From this point of view it would be interesting to compare the relative positions of the State and the Company managed Railways.

The expenditure of the rolling stock of the Company group is roughly two-thirds of that of the State but the difference as regards the Open Line Works is greater, the expenditure on the Company group being only less than one half of the Capital of the four State railways. The result in these

days of depression and emasculated earnings has been to impose a smaller amount of burden of interest charges on the Company railways of the group. Whether this has been the result of the disinclination of the Railway Board to spend as much on the Capital of the Company railways as on the State is not clear. It may be that it is not. But the comparison just instituted leaves one with the impression that the drive of self-interest and profit-earning motive in the Company management, even in the form typified by the quasi-company railways of India offers a more powerful deterrent to extravagance and unwise commitments than State-management, however "commercialised."

The financial stringency since 1931 has fortunately for the country had the effect of putting a stop to this "extravagance" as the Railway Retrenchment Committee characterised the Capital programme since the separation. The last three years have been a period of great trial for the Indian Railways as for the rest of the economic interests of the country. The problem that I should like to pose for your consideration tonight is about the policy to be followed in the future. The review that I have attempted throws some light, I hope, on what was done in recent years and the present period of inactivity offers a valuable opportunity to formulate a development policy that is sterilised of some of the errors that marred the last Capital Programme and that would help to provide our country with an adequate transportation system. Besides, this need for a cautious attitude, the cheaper the cost of capital prevailing at present would seem to

suggest the advisability of a revival of our Railway Capital Programme. Taking advantage of a period of cheaper money would mean that the new projects will start their career free from the incubus of actual or potential over-capitalisation. On the other hand Road-Rail Committee have uttered a note of caution. They observe in their Report that in general, Railway development may have reached a stage approaching saturation for existing conditions of agriculture, and indicate the projects whose financial prospects have been dimmed by the cheaper road motor transport. With these rather conflicting opinions one is left in considerable doubt as to the future policy. The problem is all the more serious since a mistake once made as in the gauge question in India or the wagon proprietorship in Great Britain, may hold up normal economic progress in certain directions.

Ten Commandments Retold

In a recent issue of *Points* the agency publication of the Mutual Life Insurance Company of New York, the editor quoted ten business rules as laid down by a business man who is responsible for the management and production of a fair sized group of employees. The foreward very appropriately points out that the rules of this business man embody a lot of good business sense and that a number of them are perfectly applicable to the business of life insurance. They may be adapted either to the management of other men, or to the management of an individual, self-imposed. These regulations are as follow :

1. Don't lie ; it wastes my time and yours. I'm sure to catch you in the end, and that's the wrong end.

2. Watch your work, not the clock. A long day's work makes a long day short, and a short day's work makes my face long.

3. Give me more than I expect, and I'll

pay you more than you expect. I can afford to increase your pay if you increase my profits.

4. You owe so much to yourself that you can't afford to owe anybody else. Keep out of debt or out of my shops.

5. Dishonesty is never an accident. Good men, like good women, don't know temptation when they see it.

6. Mind your own business and in time you'll have a business of your own to mind.

7. Don't do anything here which hurts your self-respect. The employee who is willing to steal for me is capable of stealing from me.

8. It is none of my business what you do at night. But if dissipation affects what you do the next day and you do half as much as I expect you to do you'll last half as long as you hoped.

9. Don't tell me what I'd like to hear but what I ought to hear. I don't want a valet to my vanity, but I need one for my dollars.

10. Don't kick if I kick. If you're worth while correcting you're worth while keeping. I don't waste time cutting specks out of rotten apples.

Wanted an Insurance Company for Ceylon

Mr. John F. Cooray gives the following interesting as well as encouraging news in the columns of *Young Ceylon* for June, 1933 :

One of the stalwarts in the Insurance business in India is Sir Lalubhai Samaldas Mehta who visited Ceylon recently and gave our leaders some constructive ideas to work upon.

The proposition that Sir Lalubhai has placed before our leaders indicate his far-sighted wisdom. Life Insurance today is a scientific proposition which under careful management cannot fail. Sir Lalubhai has certainly placed us under a debt of gratitude by his offer to supply half the capital and the brains to run the new venture. His motives may not be purely altruistic for

CURRENT TOPICS

shares of Indian Insurance Companies have risen to ten times their paid-up value in the course of quarter century and the shares of the oldest Indian proprietary company have today risen to forty times their original paid-up value. Nevertheless it must be the shyness of Ceylon capital to finance such new concerns that led Sir Lalubhai to make this splendid offer. I hope that Sir Marcus Fernando and Mr. Wijeyekoon who have been entrusted with the drafting of the scheme for the proposed Life Insurance Company will place a concrete proposal before the public without delay. We have no doubt that at least twenty-five per cent. of the premiums paid yearly to the foreign Insurance Companies operating in Ceylon go out of this country and if even a fraction of this sum can be saved for investment locally it would ease our financial position considerably. Thus the sooner a Ceylonese Life Insurance Company begins to operate the better it is for Ceylon.

The New Howrah Bridge -Commerce Chambers' Views

Contrasting views are expressed by the three Chambers of Commerce in Calcutta in reply to the letter from the Chairman of the Port Trust in which the Chambers' opinions were invited regarding the provision of tram tracks and other traffic facilities over the proposed new Howrah bridge, revised estimates for which have been received.

The question to which specific answers were required are as follows :—

Do you still consider that no provision should be made for trams crossing the new bridge ?

If you consider there is no intrinsic objection to trams crossing the bridge, do you consider it essential that there should be at least six traffic widths available for other traffic in addition to the space occupied by trams ?

If financial conditions would not permit of six traffic widths being provided for other

road traffic in addition to the space occupied by trams, do you consider that trams should be allowed on a 60 ft. roadway ?

BENGAL CHAMBER OF COMMERCE

The Bengal Chamber remarks that the Committee realize that the indications of the growth in bus traffic which influenced their predecessors-in-office in deciding against providing for trams on the new bridge, no longer obtain as the tramcar has now regained much of the traffic which was lost to the bus.

Thus the Committee now consider that provision should be made for trams on the new bridge, and as the Committee see no intrinsic objection to trams crossing the bridge, they consider it desirable, but not essential, that there should be at least six traffic widths available for other traffic in addition to the space occupied by trams.

The Committee consider it desirable that trams should be allowed on a 60-foot roadway, even if financial conditions did not permit of six traffic widths for other road traffic in addition to the space occupied by trams.

INDIAN CHAMBER OF COMMERCE

The Indian Chamber of Commerce, on the other hand, do not favour the laying of tram tracks.

In their reply to the Chairman of the Port Trust, the Committee state :—

"As regards your suggestion for the provision of trams in the middle of the road, the Committee feel that it would cause much congestion and traffic would experience serious difficulties in the event of a breakdown of the tram, or of accident to any vehicle, which is not improbable. Besides, the Committee are apprehensive that a 60 ft. roadway

carrying six lines of traffic may not be adequate for the future traffic requirements of the new bridge in a growing city like Calcutta, and they cannot agree to the proposal of limiting the size of the bridge by the provision of tram lines.

"If the tram lines are laid on the sides of the road, such a project would be too costly, as the Commissioners themselves have recognized. The Committee further understand that the proposed tram lines over the new bridge are not to up with the Howrah system and provide a continuous journey. If this is so, the trams cannot be much of an improvement over the buses.

"The Committee would also invite your attention to the congestion that would be caused at the other end of the bridge where the tramway terminus will have to be located near Howrah Station.

"The committee also feel that in modern town-planning trams are generally regarded in the West as a cumbrous form of transport which adds considerably to traffic congestion and confusion.

"The Committee desire to reiterate their view that they do not favour the proposal of laying any tramway tracks over the new Howrah Bridge and prefer the motor bus which is a more mobile, modern and fast means of abridging distance."

BENGAL NATIONAL CHAMBER OF

COMMERCE

The Bengal National Chamber expressed the view that while it would not be advisable to prohibit trams from running over the bridge, bus services should not be deprived of opportunities for working the same route.

In their reply the Committee state :

"It will not be advisable to refuse permission to the Tramways Company to run

trams across the new Howrah Bridge, in view of the fact that there is a large number of pedestrians who now cross the bridge on foot and who will avail themselves of the facilities afforded by an additional means of communication. The Committee consider that it would not be equitable to deny them this facility.

"In the second place the fact that the track-rent which the Calcutta Tramways Company have agreed to pay will enable the Commissioners to pay off the capital debt at an early date, cannot be lightly brushed away in fact, the Committee consider this of vital importance as enabling Calcutta to have a free bridge much earlier than is otherwise possible.

"But while lending their support to this proposal the Committee are strongly of opinion that the question of competition in rates between the tram and the existing motor bus services should be carefully considered. A vast amount of capital is invested in the bus services and the question of ensuring fair competition between the tramways and the bus service is of importance,

"As regards the question of the width of the new bridge, the Committee consider that at least six traffic widths should be made available for other road traffic in addition to the space occupied by the tracks. Otherwise, the congestion of traffic would be very great, resulting in much inconvenience to the public. The Committee, however, recognize that it may not be possible, in view of the financial conditions to make the bridge as wide as suggested here, and they would agree to the proposal for reducing the width to 60 ft. only as a second alternative. They, however, hope that the Commissioners will carefully consider the question further and explore the possibility of providing six traffic widths at a cheaper cost."

COMPANY NOTES

The Asian Assurance Company Limited

A copy of the Fifth Valuation Report of the Company for the four years ending 31st December, 1932, and a copy of the Directors' Report and Audited Accounts of the Company for the same period are before us. The valuation operations were conducted by Mr. G. S. Marathey, M. A., A. I. A. (Lond), the Company's Actuary. Table of mortality assumed is H^N with 6 and 5 years' rating up for Whole Life policies and other classes of policies respectively. The rate of interest assumed is 5 per cent. The rate of interest as calculated on the life fund and share capital together actually realised by the Company has been 6 per cent during the year 1932 and it was over 5 per cent on an average during the preceding three years. The provision for expenses and profits is made at the rate of 19 per cent for With Profit Policies, 17 per cent for policies in the survival bonus branch and 14 per cent for Without Profit Policies. The total surplus disclosed by the valuation, including the interim dividend already paid, is Rs. 2,87,320. A sum of Rs. 2,31,343 would be required to provide uniform reversionary bonus at the rate of Rs. 18 and Rs. 14 per thousand for each year's premiums paid or become payable during the period under report for Whole Life and other classes of policies respectively. The progress of the Company in regard to bonuses may be shown by the following :

Whole Life Other Classes

	Rs.	Rs.
1926	9	7-8
1929	12	9-0
1932	18	14-0

We congratulate the Company on the very satisfactory results of its fifth valuation.

The Annual Report also reveals several interesting figures which go to show that the Company is progressing very consistently from year to year. During the year ending 31st December 1932, the Company issued 2,066 proposals assuring a sum of Rs. 32,63,125. The premium income amounted to Rs. 7,88,587 during the year. The Life Assurance Fund of the Company stood at Rs. 20,80,068 at the beginning of the year and was shown at Rs. 21,50,234 at the end of the year, measuring an increase of nearly Rs. 3,70,000 or 18 p. c. in one year.

The following statement will clearly indicate the position of the Company as it advanced from year to year.

Valuation year.	No. of Policies in force.	Sums Assured in force. Rs.	Life Assurance Fund. Rs.
1925	3134	62,62,500	7,38,819
1928	5636	99,81,826	12,50,112
1932	8975	1,18,10,801	21,56,234

The Calcutta Branch under Mr. Kamdar, the Secretary, is working, we understand, with considerable push. We wish happy journey to the Company and believe it will continue its onward march to prosperity.

East and West Insurance Company Ltd.

The Annual Report of the East and West Insurance Company Ltd. for 1932 gives a very good account of the working of the Company during the period under report.

Results at a Glance.

	Rs.
New Sums Assured	20,82,000
New Policies Issued	1300
Premium Income	
Reassurances)	2,95,911
Life Assurance Fund	6,27,706
Total Assets	7,93,361

In each of the above items, the Company has recorded an improvement, and the slow and steady growth of the Company is remarkable. Claims presented during the year amounted to Rs. 71,123 out of which Rs. 55,629 were by death and Rs. 18,494 by maturity, making a grand total of Rs. 3,51,250 since the inception of the Company. There were only 19 deaths among policyholders during the year. The Stock Exchange Securities of the Company also recorded considerable appreciation during the year. The average rate of interest realised during the year was 6.59 after deducting the income tax at source.

The Calcutta Branch of the Company for Eastern India Division contributes, we understand a large quota towards the total business of the Company. Mr. B. Mukerji, General Secretary, who is responsible for this achievement, is a man with broad outlook and wide experience. The Calcutta Branch under his able guidance is assured of a brighter future.

Dewan Bahadur K. M. Jhaveri, Chairman of the Company, in the course of his speech before the shareholders, said :-

The achievement of the East and West may, however, be shown to be very satisfactory. The company has indicated increasing activities in more than one direction. The new business rose from 18,56,000 to 20,82,000 income from 2,91,000 to 3,37,000 and Life Assurance Fund from 5,03,000 to 6,28,000. The business in force shows an increase of 30 per cent over that of the previous year. There is a distinct tendency towards reduction in mortality which dropped from 20 to 19. Lapses of policies decreased by one per cent *i. e.* from 11 to 13 per cent. We have thus not only withstood the tide of depression, but have made definite headway against it. In fact, our methods of work seem to have commanded the confidence of the insuring public. We have not only kept in view general efficiency but have also pursued a safety-first policy to ensure permanent stability in the interests of our policy-holders.

Zenith Life Assurance Company Limited

We have received a copy each of the Third Valuation Report of the Assets and Liabilities of the Company for quinquennium ending 31st December, 1931, and the Directors' Report and Balance Sheet for the year ending 31st December, 1932. The valuation was conducted by Mr. G. S. Marathe, Consulting Actuary and disclosed a surplus of Rs. 18,177. The rate of mortality assumed is $11\frac{1}{2}$ with 6 and 5 years' rating up for Whole Life and other classes of policies respectively. The rate of interest assumed for the valuation is 5 p. c. The Company did earn an interest rate of 5.6 p. c. on average. The provision made in the Valuation for expenses has been at the rate of 20 p. c. on all classes of policies. The Actuary has recommended that the valuation surplus should not be distributed but carried forward in view of the depreciation in market value of Government securities

as at 31st December, 1931, and the effect this has had on the investments of the Company.

Important features of the new business of the Company during 1932 will be seen in the following :

New Sums Assured	Rs. 23,84,500
New Policies	1193
Premium Income	Rs. 4,88,222
Life Assurance Fund	Rs. 9,82,576
Assets	Rs. 11,38,283

The progress of the Company in point of new business may be illustrated by the following figures :

Year	No. of Policies	Sum Assured
1923	357	Rs. 5,71,500
1926	520	Rs. 9,66,000
1929	1000	Rs. 19,15,250
1932	1193	Rs. 23,84,500

The Company admitted claims by death of the amount of Rs. 84,672 and by maturity of Rs. 50,095 during the year, and total claims paid during the year amount to Rs. 1,20,150 including the payments on outstanding claims.

In view of the difficult times through which every business is passing, we consider the progress of the Company quite satisfactory.

The People's Insurance Co., Ltd.

The Balance Sheet and Revenue Account of the above Company for the period ending 31st March 1933 is lying on our table for sometimes now. The Company has its head office at Lahore and its Managing Agent -- Sardar Sardul Singh Kaveeshar is a public-

man of outstanding ability. He is giving his best towards the Company and since its birth in 1926 it is showing signs of great vitality. Notwithstanding general economic depression, the Company received during last year proposals of the value of Rs. 16,98,126 and issued policies for Rs. 13,51,83, as against policies of the face value of Rs. 9,20,111 during the previous year. It is an advance of about 50 per cent over last year's business. The total premium income of the Company for the year amounted to Rs. 4,78,438. Income from interests and other receipts amounted to Rs. 15,782. The total expenses have absorbed Rs. 86,615 as against Rs. 71,727 during the previous year. It is gratifying to note that the expense ratio has been reduced from 53.7 per cent to 38 per cent this year and the Company claims that "no other company in India having the total business as we have, and of our age, has got such a small percentage of expenses." The Reserve Fund of the Company now stands at Rs. 1,63,574. A novel Daily Premium Scheme has just been introduced by the Company. It supplies its policyholders special savings clocks which require to be wound every 24 hours and would not work if daily premium is not put in the stop provided for the purpose. The scheme is expected to be very helpful in cultivating thrift habit amongst the Indian masses.

It seems that the People's Insurance is tiding over difficult times creditably and in the fulness of time it promises to be one of our soundest companies.

NOTES AND GLEANINGS OF THE MONTH

Roumania Introduces State Insurance

The Parliament of Roumania has passed at the insistence of the Cabinet, a law according to which a "National Insurance Trust" will be established. Under this law, all public institutions will be obliged to do business with the new national institute exclusively the provinces, the Communities, the villages and the hamlets are included in this provision, so is all the property of the state; so are the rail-road and the postal service, the army and the police force, the air corps and the gendarmerie. One-third of the capital will be subscribed by the state, the remaining two-thirds by private insurance companies: the premiums, to be paid by the state, will be smaller than those paid by the companies; moreover, the state will be refunded 15 per cent of the premiums.

The official explanation for introducing this scheme is that private insurance companies are unable to obtain reasonable reinsurance rates abroad. With the backing of the government, however, this will be changed in no time in favour of the domestic insurance interests. It is just possible that the profits of this business will offer some tangible relief to the worried treasury of the country. Although certain private insurance interests will be involved in some sacrifice, a steadier and healthier tone will attach to the general insurance business of the land.

Rationalisation Plea for Insurance Companies in United States

In a recent issue of the *United States Daily*, of Washington, D. C., Col. Howard P. Dunham, Commissioner of Insurance of Connecticut and a past president of the National Convention of Insurance Commissioners, expressed his belief that there are too many companies in the insurance business. Possibly one might be inclined to agree, but with the proviso that at the present time there are too many companies in practically every kind of business, for, in a sense, when there is widespread unemployment it may be said that there is not enough business to go around. However, the Colonel does not consider that this condition is entirely caused by the slump of the past three years, but that it has been the situation for some time and that, as a result, there has been a mad scramble for premiums on the part of many companies and that the evils that flow from this have been apparent for years. Excessive competitiveness, he says, is bound to be disastrous to all concerned, including the public.

He asserts that the solution of the problem is the same solution that is being applied to the banking problem and that the crying need is for fewer and better companies. He believes that no tears need be shed over the passing of such insurance companies as have

gone under during the past three years. What should concern us, he says, is the question of another influx of new companies when prosperity returns. He is in favour of a plan whereby supervisory authorities should adopt a programme of restriction to prevent the launching of needless insurance companies. The most effective way of restricting insurance companies, he says, is through the co-operation of the insurance commissioners. Unless they act together, he says, little can be accomplished.

Henry E. North's Remarkable Career

Careers of successful men in insurance are full of romances, and so often they are full of surprises too. Years of labourious, constant and faithful work on systematic lines have pushed many young aspirants to fame and prosperity. One such extraordinary career is that of Mr. Henry E. North, who has recently been raised from third Vice-president to second Vice-president by the directors of the Metropolitan Life Insurance Company of New York. We quote from the *Spectator* (June 15, 1933), a short biographical account of Mr. H. E. North which is as follows :

Twenty years ago Mr. North was intent on a career as a civil engineer when illness put a temporary halt to his ambitions. As a stop gap he went on a debit with a Brooklyn agency of the Metropolitan Life where his efforts were so successful that he discarded his engineering career. Five months later he was made an assistant manager in Trenton, N. J. and four years later in 1917 he was made a manager and assigned to Clinton, Mass.

After the World War, in which he served in France as a lieutenant, he returned to the Metropolitan and after several managerships became superintendent of agencies in 1921.

In 1928 Mr. North was appointed the third vice-president and manager of the Company's Canadian head office in Ottawa and in 1930 was summoned to the home office to take charge of the Company's division of field education and sales promotion. He will continue with this position as vice-president.

A New Menace in America

Spectator discloses the prevalence in America of coronary thrombosis, a disease to which the deaths of both former President Coolidge and Senator Thomas J. Walsh were ascribed. The condition is supposed to result from a fixed clot in the coronary artery. The Metropolitan Life Insurance Company has recently made a study of thrombosis among its policyholders and has discovered that this ailment among its industrial policyholders increased from 4.7 per 100,000 in 1930 to 7.0 in 1931 and reached 9.4 in 1932, a rise of 100 per cent in two years. Among ordinary policyholders, the rates were 11.1 per 100,000 in 1930 ; 14.0 in 1931 and 17.1 in 1932. The study reveals that deaths from thrombosis are increasing at an alarming rate both among the wage earners and salaried classes. It is also noted that more than two-thirds of these deaths affect persons 60 years of age or older.

Marine Loss Recouped

An interesting situation has been created by the demand made by certain British underwriters for the return of the large sum of money paid for the loss of *George Philippa*, which was destroyed by fire in May, 1932.

In making the settlement the underwriters stipulated that they should be supplied with

a copy of the full report of the commission which inquired into the disaster and indicated that if the loss was found to be due to a cause for which the underwriters were not liable, they would ask for the return of the insurance money.

The report was signed on August 6, 1932, but the underwriters did not receive a copy, though last March a Paris newspaper published extracts from it.

On May 15, which happened to be the last day on which claims could be made on bills of lading, a document was received purporting to be the full report, but examination showed that many of the papers were withheld.

In the case of *L'Atlantique*, which was destroyed by fire on January 1 this year, the underwriters are demanding the strictest investigation before considering payment.

The loss of the two French liners, the *Georges Philippar* and *L'Atlantique* within a few months of each other, involved the insurance markets to the extent of £1,253,000 in each case, most of it falling on the shoulders of the British underwriters.

Both ships were quite new and most luxuriously equipped. The *Georges Philippar*, of 20,000 tons, owned by the *Compagnie des Messageries Maritimes*, was on her maiden voyage when fire broke out on the night of May 16 at the entrance to the Gulf of Aden and she had to be abandoned five miles off Cape Guardafui, British Somaliland. About 50 were lost.

Grave allegations of a "happy-go-lucky and careless organization" on the tragic liner were made by the survivors, which the Captain subsequently denied. He agreed, however, to the assertion that the fire spread with "incredible rapidity."

L'Atlantique, of 42,512 tons, had been engaged in the trans-atlantic passenger traffic, and was *en route* on January 4 last from Bordeaux to Havre where she was to be refitted when she caught fire in the Channel and was destroyed. The rescue ships were unable to save her and 21 of her crew—there were no passengers on board—lost their lives. She was subsequently towed into Cherbourg a smouldering hulk.

The French Ministry of Marine appointed special commissions to inquire into both disasters.

Lancashire and Indian Cotton

The first report of the Committee appointed by the British Government after the Ottawa Conference to investigate means to increase the use of Indian Cotton.

Eighty-seven examples of cloths woven from Indian cotton were inspected by the meeting, and the general opinion was that there were great possibilities of a wider use of Indian cotton to the advantage of both Lancashire and India.

Sir Richard Hoyle Jackson, chairman of the Committee, said that six bales of Indian cotton were subjected to experiments. If sufficient interest was taken in the samples by merchants, manufacturers and spinners, an immediate improvement might take place in the number of Lancashire firms using Indian cotton.

The samples will be on view at the Chamber of Commerce for a week after which they will be exhibited in the offices of the Federation of Master Cotton Spinners' and Manufacturers' Association.

Corporation Budget.

The finances of the Calcutta Corporation have suffered another set back during the

financial year 1932-33. The deficit of the year amounts to Rs. 19 lakhs as compared with Rs. 9½ lakhs during the previous year. This feature of deficit has characterised the Corporation Budget for the last three years only, before which the Corporation used to present favourable and balanced Budgets. The Chief Accountant of the Calcutta Corporation in a note ascribes the present financial position of the Corporation to the amalgamation of the suburban municipalities with the city. The note states :

"If an examination is made of the rate of growth of the recurring expenditure of the Corporation, the first chapter must be allotted to an examination of the receipts and expenditure of the three added areas. Old Calcutta is being crucified on a cross made up of the added areas. In any attempt at resurrection, the first step must be to tackle the problem of balancing the budgets of Cossipore and Maniktola for Garden Reach is about to be separated. It will be seen that Cossipore and Maniktola have to be given a subvention of Rs. 8 to 10 lakhs in order that their budgets may balance. This means that Calcutta proper is paying an additional one per cent consolidated rate which would not have been needed but for these areas. I think that but for this inordinate disparity between the revenue and expenditure of these two areas, it would have been possible to put off the evil day for some time longer."

The total estimated receipts for the current year amount to Rs. 2,56,82,000 in which is included Rs. 1,94,00,000 under consolidated rate. This estimate also takes into account Rs. 12 lakhs to be realised out of the arrears in three departments, namely, Assessment, Collection and Law. The Chief Account has expressed his doubts about the possibility of realising this amount of arrears. The Chief Accountant's note is also pessimistic

about several other aspects of the Budget, but we do not think there is any reason for despair. The Corporation's incomes as well as expenditures are highly elastic and, the Budget position can be improved, if not totally restored by adopting a definite scheme of increasing the income and curtailing the expenditure.

Calcutta University Finances

For several years past the Calcutta University had been passing through a financial crisis finding it extremely difficult to make its both ends meet. But the University can congratulate itself on having presented an encouraging budget this year. Although the estimates show a deficit of Rs. 17,000 but it is negligible in view of the amount of Rs. 88,000 which has been added to the University's reserve fund which now stand at Rs. 4,15,300.

The University has curtailed expenditure on Post Graduate Department to the extent of Rs. 50,000 compared with the previous year. Another very bright feature in the budget is the increase in receipts under the fee fund to the extent of Rs. 1,20,000. An unfortunate event, however, involved the University in some loss, an amount of Rs. 28,000 being lost in a street robbery. Dr. B. C. Roy, President of the Board of Accounts, summarised the position of the University finances as follows :

"Taking a general view of the budget of the future year it will be safe to predict that so far as the fee fund is concerned it would pay its way and, perhaps leave something over. The average receipts of the post-graduate departments, however, are likely to be Rs. 6,50,000. The average expenditure even without including the cost provision for higher salaries of the Readers will be in the neigh-

bourhood of Rs. 11,50,000. The net deficit in this head will in future be about Rs. 5,00,000 unless the activities of the departments be ruthlessly curtailed. The Government is paying Rs. 3,60,000; we may get Rs. 40,000 from the fee fund and yet there will be a deficit of 1,00,000 a year. The ensuing year has a good opening balance. If this is repeated, all is safe. If not, the Senate would have to find some other source of income if it is to avoid a crash."

All-India Road and Railway Conference

When the Indian Railway Amendment Bill was introduced in the Assembly in the autumn session of 1932 none could foresee the implication of the Bill and the far reaching effects it would have on the commercial world, the labour population, the local self-governing bodies and the Local Governments. Mr. S. K. Banerjee, the President of the Indian Motor Transport Workers' Union, Howrah had certain well-considered resolutions adopted and circulated all over India with the result that the passing of the Bill was deferred. Since then the publication of the Mitchell-Kirkness Report confirmed the misgivings of Mr. Banerjee; the official road and railway Conference opened by the Viceroy in Simla in April last and the simultaneous publication of the White Paper left nothing to conjectures. It is now almost a settled fact that the British Govt. is bent upon keeping out the communications and also of transports of India from all political interference," in other words a parallel Governmental body of roads and railways would be running in this country quite distinct from the civil administration. Mr. Banerjee has been busy organizing an all-India Conference in August next in which the Indian Railway Bill and all cognate matters will be considered and means for-

mulated to stop the roads and railways passing off from the hands of the government of the country and to prevent the State competing with private business enterprises. Mr. S. K. Banerjee is the President of the Working Committee to organize the Conference and a fee of Rs. 10 has been fixed for membership in the Reception Committee to defray the costs of the Conference.

Japanese Rice for India

Mr. H. N. Brailsford ascribed the origin of the Burmese Rebellion of 1931 to the abnormal fall of the price of rice which is the mainstay of the Burmese peasants. The fall in prices is due primarily to the world economic causes, but it is no less due to the dwindling of a large export trade in rice of Burma to the far east and Japan. Japan ceased to import Burmese rice during the pre-rebellion period and it is almost startling to learn now that Japan is exporting large quantities of rice to India through Bombay.

India produces over 32 million tons of rice of which she exports nearly 2 million tons, Burma supplying the largest share. The President of the Burma Indian Chamber of Commerce has sounded a note of warning that Japan has stopped importation of rice from India and Burma and is preparing to export it to Indian markets through Bombay, having extended her rice field. The rice traders of Burma have been greatly perturbed. The Chamber, we are told, warned the Government of India against importation of rice last year from Siam and Saigon, of which the Government took no notice. Now the Japanese, when their trade with China is stopped, are preparing to invade the Indian market, when their own market has been

closed to the Indian produce. The situation should not be neglected:

Post Office Life Insurance in Japan

Little is generally known about post office life insurance in Japan which began back in 1916, with 261,500 policies amounting to 24,500,000 yen. Up to date, it has reached the impressive figure of 15,600,000 policies with a total value of 2,100,000,000 Yen, the monthly premiums running to 12,600,000 yen.

Applications are received by the post offices, of which there are more than 9000 throughout the length and breadth of the country. No medical examination is required. The rate of interest is $3\frac{1}{2}$ per cent. Policies run over 10 or 20 years one from being reserved for children between the ages of 3 and 12, the other for persons between 12 and 60 years of age. The amount of the policy is limited to 450 yen. To prevent unjust claims, a provision sets forth that if death occurs within 18 months from the date of the contract, the claim is reduced proportionately; if the policyholder dies within one year, only the paid-in premiums are refunded.

Jute Growing in Ceylon.

Ceylon has for several years past been making serious endeavours to grow cotton and will now turn its attention to jute—the monopoly of Bengal. As a result of the slump in rubber in the island, plots of land have been cleared on a number of rubber estates, for the establishment of experimental farms for growing jute, specimen jute plants having been obtained from India. Rubber companies owning estates in the low country are encouraging these efforts with a view to

partial replacement of rubber by jute, with more encouraging commercial possibilities. It is felt that the climate in the low country, being hot and moist and having fair rainfall, there are reasonable prospect of success.

Labour Conditions in Japan.

The International Labour Office, in the survey, "Industrial Labour in Japan" recently published, shows that there are to-day about 60,000 factories in Japan; and 55 per cent. of these are small concerns employing a total of operative under 200,000. The number of large concerns has grown rapidly in recent years, and a modern industrial structure is evolving. Important employers' associations exist. The trade union movement is young; but developing rapidly. There are about 3,215,000 male workers and 1,500,000 women workers.

Hours of work have diminished substantially in Japan. In 1916 a 16-hour day was regular in the spinning factories. In 1926 the average was 9 hours 31 minutes for all factories, and in 1930 it was down to 9 hours 8 minutes per day. The average of working days per month is about 26.5. Japan maintains a permanent delegation at the International Labour Office, which both supplies information on Japan and studies European conditions for the information of Japan. This co-operation with the international labour office is continuing despite Japan's withdrawal from the League of Nations.

The minimum age for admission to industry is now fourteen. If a child has finished the elementary school course he may take work at twelve, but the employment of any children under fourteen is prohibited in certain professions. While wages in Japan

are low, especially for women, the index number of real wages has risen appreciably during the last five years. The general average daily wage of male workers in 1931 was 4s. 10½d. For the textile industries the figure was 3s. 2½d. For female workers the general average was 1s. 7d., and for the textile industry 1s. 5½d.

State Insurance in Roumania.

According to "Die Versicherung," a report from Bucharest states that the Roumanian Government intends to submit a Bill to establish a State insurance office and to make it compulsory for all State institutions, including railways, to insure with the State. The capital has been provisionally fixed at Lie 30,000,000, of which, however, the State is to provide only one-third. Though it does not follow that the Bill will necessarily become law, the project is of interest to reinsurers, and the fact that it has been mooted at all is worthy of note. It would not apparently constitute a monopoly, though it might end in that direction. Nor would it as it stands impose any restrictions on the practice of reinsurance in the country, but reinsurers would be keenly concerned in a movement which diverted away a volume of business of good quality. Reinsurance business in Roumania has incurred some heavy losses in past years and this aspect of the suggestion will bear watching.

Mr. S. C. Mazumdar

We are glad to note that Mr. S. C. Mazumdar B. COM. (Bom.) Cert. A. I. B. (Lond) has been appointed Manager of the Bombay Branch of the Hindusthan Co-operative Insurance Society Ltd. Mr. Mazumdar had been working as the Agent of the New

Market Branch of the Central Bank of India Ltd at Calcutta prior to his present engagement. Mr. N. Dutta who was the Branch Manager of the Hindusthan at Bombay has joined the Head Office of the Society at Calcutta. We wish Mr. Mazumdar an unimpaired continuance of his brilliant career.



Mr. S. C. Mazumdar

Unique Celebrates Deshbandhu Anniversary

The Unique Assurance Company Limited celebrated at its Head office in Calcutta the eighth death anniversary of late Deshbandhu Chittaranjan Das who was the founder-patron of the Company on the 16th June last. Hon'ble Justice Mr. Manmatha Nath Mukherjee was in the Chair, and Mr. S. K. Basu, Mayor of Calcutta, graced the occasion with his presence.

In a neat little speech, the Chairman drew attention to the history of the Unique Assurance Company Ltd, which was a chequered one, and was glad that the Company had considerably improved financially during the last few years. The Mayor considered the institution of celebrating the death anniversary of Deshbandhu as very commendable and expressed his appreciation of the offer of the Company to donate Rs. 251 to the Deshbandhu Memorial Fund, out of which Rs. 157 was already paid.

The guests were treated to light refreshments and Kirtan music before the function came to a close.

Hindusthan Co-operative's New Business

We are glad to record here that the Hindusthan Cooperative Insurance Society Ltd. had completed the new business of over two crores of rupees during the year ending 30th April, 1933. The business of the Society in 1927-28 was Rs. 69½ lakhs and in the following two years Rs. 115 lakhs and Rs. 142 lakhs respectively. This shows an increase of 187.9 per cent in five years. We congratulate the Society on its achieving this brilliant result which is almost phenomenal.

Great Asoka Assurance Company

The Great Asoka Assurance Company of Patna has opened a Branch Office at 100, Clive Street, Calcutta, with Mr. N. K. Govila, formerly of the New India Assurance Co., Ltd. as the Branch Manager. The Branch was opened in the beginning of this month, and already Mr. N. K. Govila has shown encouraging results. We hope the Branch will write increasing business from day to day.

The Suicide Record

Dr. Frederick L. Hoffman has published an interesting account of the suicide record in America in 1932 on the basis of 100 cities. The rise in the suicide death rate since 1900 has been from a rate of 15.4 to 21.3 in 1932, reaching a minimum of 12.3 in 1920. Dr. Hoffman points out that this increase in the rate of suicide deaths is primarily due to the economic depression, suicides have increased all over the world during the last few years, and the insurance Companies owe it to themselves to find out ways and means to safeguard against an unusual rise of suicide claims.

Bangiya German Vidya Samsad

The happy and wholesome combination of Dr. Narendra Nath Law and Prof. Benoy Kumar Sarkar has been fruitful of much intellectual stirring in Bengal. The above "Samsad" is another institution which has just been started under their distinguished auspices to establish a cultural fellowship between Germany and our country—a thing which was long overdue in view of the excellent services done by German savants towards reconstructing the history of India's glorious past. It is really gratifying to note that a large number of our leading publicmen distinguished in different walks of life have lent their co-operation to this institution. The watchful care of Dr. Law and the burning enthusiasm of Prof. Sarkar are sufficient assets to this very important organisation and we shall be happy to find it prosper as a plank of international intellectual co-operation.

Calcutta College of Insurance

Mr. Hemanta Kumar Sarker, M.A., Secretary to the Governing Body of the

Calcutta College of Insurance has received enquires from all parts of the country regarding various aspects of the above College. He has, therefore, sent us the following circular for general information which we publish here.

1. To be started from July, 1933.
2. Applications for admission will be received up to the 15th of July.
3. Classes will be held in the evening from 6 to 8 generally.
4. There shall be two terms :
Summer—July to September.
Winter—November to February.
5. Tuition fees Rs. 5/- monthly to be paid for one year.
6. Entire course will cover one year including vacations.
7. Admission fee will be Rs. 5/- only.
8. Degree of M.I.E.S., will be given to successful candidates (M.I.E.S. means Member of the Insurance Education Society.)
9. Lectures will be given both for field and office work.
10. Practical training will be arranged by fixing the student to some Insurance Office as far as practicable.
11. Degree of F.I.E.S., (Fellow of the Insurance Education Society) will be given to prominent men in Insurance World *honoris causa* or to Post-graduate students whose thesis on some particular Insurance subject has been accepted by a Board appointed by the Society.
12. The minimum educational qualification for admission to the College will be Matric Standard. Non-Matrices will have to pass a test Examination for admission.
13. A sum of Rs. 10/- will be charged in course of the year as Library and other fees etc.

14. A sum of Rs. 25/- will have to be paid as Examination and Diploma fees.

15. Hostel accommodation will be provided if sufficient number of students are available.

16. Competent Lecturers will be in charge of different subjects to be taught.

17. The College is started under the auspices of the Insurance Education Society of which Mr. J. N. Basu, M.L.C., Attorney-at-law is the President and Dr. S. C. Roy is the Secretary.

Chartered Insurance Institute Examination Results

The results of the Examination of the Chartered Insurance Institute for qualification of candidates as Insurance Specialists for the posts of officers and Managers in Insurance Companies, which was held in Davar's College of Commerce, Bombay, in March 1933, have been declared. The following students of Davar's College of Commerce have been successful :

LIFE INSURANCE PART I PRINCIPLES AND PRACTICE OF LIFE INSURANCE

- Mr. Gerson Da Cunha.
 „ M. C. Gupta.
 „ Peter J. J. Pinto.
 „ Bhalchandra S. Sankholkar.
 „ Thakorlal J. Desai.
 „ Chandrakant M. Mehta.
 „ Vaman M. Prabhu.
 „ K. R. Varma.
 „ S. R. Chaudhury.

MATHEMATICS

- Mr. Merwan D. Aga.
 „ M. C. Gupta.
 „ Peter J. J. Pinto.
 „ N. B. Dey.

- " C. M. Mehta.
- " S. R. Chaudhury.
- " A. R. Sengupta. (Hons.)

PHYSIOLOGY

- Mr. J. D. Desai.
- " N. B. Dey.
- " C. M. Mehta.
- " E. Srinivasan.
- " T. J. Desai.
- " G. V. Jannah.
- " D. P. Ratnagar.
- " C. M. Thomas.
- " S. R. Chaudhury.
- " A. R. Sengupta. (Hons.)

CLIMATIC AND OCCUPATIONAL RISKS

- Mr. Merwan D. Aga.
- " V. N. Gajendragadkar.
- " G. V. Jannah.
- " C. M. Mehta.
- " Peter J. J. Pinto.
- " C. M. Thomas.
- " S. R. Chaudhury.
- " N. B. Dey.
- " M. C. Gupta.
- " T. N. Master.
- " K. G. Nair.
- " V. C. Sheth.
- " K. R. Varma.
- " A. R. Sengupta.

TYPES OF ASSURANCE

- Mr. C. M. Mehta.
- " S. S. Shukla.
- " K. B. Nariman.
- " K. R. Varma.

LIFE OFFICE ORGANISATION AND ROUTINE

- Mr. M. L. Das.
- " S. M. Kadri.
- " K. B. Nariman.
- " V. N. Gajendragadkar.
- " C. M. Mehta.
- " S. B. Shukla.
- " A. R. Sengupta.

LIFE INSURANCE PART II

LIFE ACCOUNTS

- Mr. A. M. Nazir.

ADVERTISING-PROSPECTUS

- Mr. A. M. Nazir.

- " Mr. G. M. Naik.

FIRE INSURANCE PART I

BUILDING CONSTRUCTION

- Mr. V. M. Bhide.

- " Mr. R. D. Sarangdhar.

COMMON HAZARDS

- Mr. C. R. Narayanswamy.

PRINCIPLES AND PRACTICE OF FIRE

INSURANCE

PLAN DRAWING

- Mr. K. B. Bhavnagri.

- " T. C. Pereira.

- " L. Solomon. (Hons.).

MARINE INSURANCE PART I

MARINE INSURANCE ACT. 1806 Etc.

- Mr. N. M. Joshi.

DOCUMENTS AND CLAUSES

- Mr. Bimalkumar Dutta.

MARINE INSURANCE PART II

MARINE INSURANCE CLAUSES

- Mr. J. L. Bakshi.

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Patna.

P. C. Sen,
Organiser,
Bogra P.O.

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Midnapore,
Mirbazar.

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Organiser,
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DESHAPRIYA JATINDRA MOHAN SEN GUPTA
whose loss the nation mourns to-day.

By the courtesy of *Abhyudaya*



THE INSURANCE & FINANCE REVIEW

Mng. Editor—DR. S. C. ROY, F.C.S. (Lond.), F.R.E.S. (Lond.)

Editor—MONINDRAMOHON MOULIK

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Editorial

A Nation in Mourning

The sudden and premature death on the 23rd. July last at Ranchi of Mr. J. M. Sen Gupta, an acknowledged leader of Indian politics, has cast a deep gloom over the country. At the age of forty-eight, when public workers generally begin to assume power on a large scale, Mr. Sen Gupta's life was cut short while he was serving an imprisonment under the Ordinances. His death removes from the field of Indian politics an astute thinker, a devoted patriot and a sacrificing leader. His keen insight into the problems of our national life, his realisation of the urgent necessity for their solution, and his religious devotion to the carrying out of programmes formulated by the Congress and himself for the amelioration of the distresses of the country, had endeared himself to all sections of the people and

all shades of political opinion. His loss will be most acutely felt specially at the critical period of our nation's history when the country will be called upon to fight the new constitution which is being forced upon India by Great Britain. No man would have been better fitted for shouldering the task of leading a campaign against the new constitution than Mr. Sen Gupta, with his legal acumen, bright eloquence and a huge following. Bengal particularly stands distinctly poorer at his demise.

Mr. Sen Gupta had a brilliant career all through his eventful life. He was born with a silver spoon in his mouth and had the privilege of being educated at Cambridge. He was an outstanding sportsman at his University and by his extremely lovable nature won the admiration and friendship of his fellows. He had such a love for

sports that he did not fail to snatch a few hours now and then from his crowded life to spend on the tennis lawn or cricket field. He was social, amiable and a perfect gentleman. He knew no enemies in social life. He conquered every heart with his never-failing smile. The cause of the poor and down-trodden was dear to his heart and he squandered his all in bringing relief to the lives of the poor. He was the trusted lieutenant of his political *guru*, the late Deshbandhu C. R. Das and led the Bengal Provincial Congress with extraordinary credit and allegiance to the creed he held in view. He became Mayor of the City of Calcutta for five times, and in that capacity brought about many far-reaching reforms in its civic life. As Chairman of the Reception Committee at the Calcutta Congress of 1928, he gave his countrymen a clear and definite lead in our political struggle, the wisdom of which came to be realised somewhat later.

As founder and first editor of *Advance* he raised the tone and dignity of Indian journalism to a high level. He was also interested in the development of indigenous industry and commerce, and was for a long time Chairman of the Bengal Mercantile Insurance Co., Ltd. He was also the founder of a cotton mill in Chittagong. His public activities were too many to admit of recording here.

Calcutta received the mortal remains of her hero in tears. A huge procession in

mourning which followed the bier and the overcrowded streets and house-windows reminded us of another national calamity of similar magnitude when the remains of Deshbandhu C. R. Das were brought down to Calcutta from Darjeeling. An admiring nation which conferred upon him the appellation of "Deshapriya" (dear to the country) pays its respectful homage to the memory of its departed hero.

May his soul rest in eternal peace !

Problems before Sugar Industry

With the introduction of a protective tariff on imported sugar, India has entered upon a new epoch of industrial history. We discussed in our columns the past and future of sugar industry in the country and pointed out that sugar may provide a fresh stimulus to the industrial development of our country. The Government has also introduced the tariff by calculated steps which will go a long way to ensure the future of the industry.

Although the Conference which was recently held in Simla attended by official as well as non-official members in order to devise ways and means and formulate schemes for materially helping the manufactures and capitalists, could not arrive at any definite scheme or plan of action, yet many important discussions were held and a flood of light was thrown on the various aspects of this industry. Mr. Srivastava has

pointed out that there is a direct relation between the price of sugar and its amount of consumption in India. When the price falls, the amount of consumption increases. The following table will help to illustrate this view point :

Year	Price of Java Sugar in Calcutta (per maund)		Amount of Sugar consumed in India (in tons)
	Rs.	as	
1923-24	18	0	678,081
1924-25	14	4	859,057
1925-26	10	15	1,011,488
1926-27	11	14	999,302
1927-28	10	7	1,101,524
1928-29	9	13	1,164,805
1929-30	9	0	1,324,923
1930-31	8	11	1,215,585
1931-32	10	1	982,540
1932-33	10	10	928,095

From the above table, it will be seen that during the years 1930 and 1931, when the price of sugar was lowest, the amount of consumption reached the highest figures. It is expected that the price of sugar will come down considerably within a few months when the recently established sugar factories

will begin to work, and the increased consumption resulting from the lower prices will offer some stimulus to the indigenous industry.

There arose a difference of opinion as to whether there has been overproduction of sugar in North Bihar and U. P. Considering total amount of sugar that is annually consumed in India (1 million tons approximately), and the amount produced (100,000 tons approximately), we are of opinion that the cry of overproduction is too premature to be raised at the present moment.

Bengal stands in a peculiar position in regard to this industry. Bengal had lost her opportunities in Jute and Coal industries. They have been mostly captured by foreigners and the agriculturists and labourers of this province have hardly benefited from industrialisation of Bengal. Now sugar has come to stay and has provided ample opportunities for ambitious industrialists and capitalists of the province. We hope Bengal will not fail to rise to the height of the occasion and explore the possibilities of an industry which may be instrumental in removing unemployment and other distresses rampant in the country.

Mr. Keynes and "The Means to Prosperity"*

BY SASADHAR SINHA, B. SC. ECON., PH. D. ECON. (London)

Whatever the prospects of success of the World Economic Conference, which meets here this month, there is little difference of opinion among statesmen and economists with regard to the real nature of the problems that await solution. It is realised that international action alone can bring succour to the tottering capitalist structure, because the disease that afflicts the world to-day is not local in incidence but transcends national boundaries. Thus, on the one hand, a clear recognition of the unity of the world-economy is fundamental to any discussion of modern economic problems, while, on the other, a narrow nationalist approach to the problems on the agenda of the forthcoming Conference is bound to prove fatal to its success.

Internationalism forms the *leit motif* of Mr. Keynes' essays, the subject of discussion in this short article. Nor is Mr. Keynes alone in ploughing the furrow of international action, but, as Sir Josiah Stamp pointed out in a recent lecture, the world is probably in a more reasonable frame of mind now to listen to the advocacy of international co-operation than formerly. "But the measure of their (*i.e.*, financial circles) need, and, perhaps, their fear of world-disaster will be the measure of their willingness now to consider it. . . ."

Mr. Keynes' essays are a plea for dual action, that is to say, action both on the home as well as on the international front. They

are, in short, essentially a plea for clear-thinking on economic matters. "Nothing is required and nothing will avail, except a little, a very little, clear thinking." For the economic problem of the day is in the last resort a problem of plenty. In other words, the cessation of economic activities, plunging the entire world in poverty and degradation, originates not from the lack of material resources, nor from the lack of technical skill but principally from the suspension of the leading economic incentive, essential to capitalist enterprise—namely, profit. Now, it is universally recognised that the disappearance of business profits is primarily due to the catastrophic fall of world-prices, partly brought about by monetary and partly by other circumstances. In the case of England, for instance, both sets of causes have conspired to precipitate the crisis. The result has been that the economic machinery of the world has come to a stand-still, leading to unemployment on an unprecedented scale, business failures, etc. On the financial side, on the other hand, the reaction of the situation has been equally profound. In the face of adverse circumstances, capital has become shy, with disastrous consequences on the normal economic activities throughout the world. the vicious circle is thus complete.

How to find a way out of this vicious circle? How far is it a mechanical, how far a psychological, problem? Clearly, it is both, but, in the present case, the latter aspect is undoubtedly the more

* This pamphlet is an enlarged version of Mr. Keynes' four articles published in the *Times* in March of the current year.

significant. In short, the revival of business confidence must be preliminary to the resumption of the normal economic activities of the world. But to set the ball rolling, as it were, resort to mechanical aid is equally important. Thus we come back again to Mr. Keynes' dual policy with which we started. What are they? In the first place, Mr. Keynes advocates what he calls a policy of internal expansion based on an increased loan-expenditure at home. He believes that an "addition of at least £100,000,000 to our annual primary expenditure at home" will put "at least 1,000,003 men back to work." Whether Mr. Keynes' arithmetical calculations will be completely borne out in practice must be left to the future, but, as Sir Josiah Stamp has pointed out, "his broad result that any expenditure which relieves the dole will directly or indirectly pay for itself to a considerable extent" remains valid. The results of this policy of encouraging public works and the like will, in the main, be two. First, the national economic machinery will again be set going, and, in the second place, the relief brought to the national Exchequer through increased revenue and consequently to the tax-payers through reduced taxation will be wholly to the advantage of the nation's economic life.

Against this policy of public expenditure two arguments have been advanced. On the one hand, it is pointed out that the effect of such expenditure on employment is relatively small, because it was tried by the Labour Government and found ineffective; while on the other, it is argued that public expenditure is on principle wrong, because it encroaches on private investment in profitable business. To take the second argument first. The principle involved in this may be right, but

since at present money is lying idle in the banks and no investment is being made, this plea has but little weight. The first argument, on the other hand, is also invalid, because it does not take into account the change of circumstances since the Labour Government went out of power. Mr. Keynes' contention is that "the effects of loan-expenditure and of foreign balance are *in pari materia*." That is to say, increased loan-expenditure unless accompanied by a favourable balance of trade cannot produce the effects desired by Mr. Keynes. To quote Mr. Keynes: "Heaven knows to what plight a combination of the policy of the Labour Government in doing nothing to protect the foreign balance, with the policy of the National Government to curtail loan expenditure might not have brought us!"

Obviously, this in itself is inadequate, for until the world-price level rises sufficiently high, the looked-for revival of business activities on a larger scale will not, indeed cannot, take place. The need therefore for international action in stabilising the world prices to a higher level is imperative. To this end Mr. Keynes advocates a sort of international inflation, on reflation, as it is the current vogue to call it. This he proposes to do by the creation of international "reserve money," in the form of gold-notes to be issued by an international authority. These notes, which will have international currency, will be based on gold-bonds of countries participating in the scheme, the share of each country in this money varying according to its gold reserves. The functions that this "reserve" money will perform are two. First, the money thus available will be a source of additional credit to all countries, helping to raise their internal price levels and consequently the

price level of the world at large. In the second place, it will act "as a balancing factor to be released when prices are abnormally low as at present, and to be withdrawn again if the prices were to be rising too much." One notes with some surprise that Mr. Keynes, who only recently described gold as "a barbarous relic," should insist on gold being the basis of the new international currency. Let Mr. Keynes answer the charge of inconsistency himself. "It may be that, never having loved gold, I am not so subject to disillusion. But, mainly, it is because, I believe that gold has received such a gruelling that conditions might now be laid down for its future management, which would not have been acceptable otherwise."

The cause here advocated is simple. The return to prosperity cannot be effected by isolated action on the part of any single

nation. Tariffs, quotas and exchange restrictions, which one country after another has adopted in order to protect itself against the impending disaster, are utterly inadequate for the present situation. The restriction of the world trade, which is inevitable under these conditions, must make the crisis more acute. Whether the kind of international action here suggested will be a permanent cure for periodic depressions, which afflict the capitalist world, does not concern us here. But it is certainly one which provides the psychological as well as the mechanical device necessary to bring about a rise in the world-price level—a prime requisite for the resumption of the normal economic life of the world. But whether the necessity to see an economic change will overbear political prejudices remains to be seen.



Thirty-five Years of Indian Economic Thought, 1898-1932

By SHIB CHANDRA DUTTA, M.A., B.L., B.C.S.

(Continued from the previous issue)

The recent sub-period (1926-32) has witnessed the expansion of interest in economic research on a considerable scale. The number of investigators as well as journals and institutions for the carrying on of investigations has increased. An important event on the Bengal side is the establishment in 1926 of the Bengali monthly *Arthik Unnati* (Economic Progress) which is a journal of world economy and international statistics with bearings on India. Two private seminars for research, likewise in the Bengali language, have served also to furnish a stimulus to economic discussion and publication. One is the *Bangiya Dhana-Vijnan Parishat* (Bengali Institute of Economics) established in 1928 and the other the *Antarjatik Banga Parishat* ("International Bengal" Institute) in 1929. Some half a dozen Research Fellows carry on investigations under the auspices of each of these institutes. One must not overlook, besides, the Economic Societies established during this period although under diverse names not only at the different Universities of India but also at many of the higher grade colleges.

The following is the list of commissions of inquiry set up by the Government :

1926-28. Royal Commission on Indian Agriculture : Report.

1927. Road Committee : Report (1928).

1927-29. Indian States Committee : Report.

1929-31. Statutory Commission on the Indian Constitution (Simon) : Report.

1929-31. Indian Banking Inquiry Committee : Report.

1929-31. Indian Labour Commission : Report.

1932. Indian Delegation to the Imperial Conference at Ottawa : Report.

The output in Indian economic thought is tabled below :

1926. Advani G. : *Etudes sur la vie rurale dans le Sind*.

1926. Ahmed T. : "Agriculture in America" (*Arthik Unnati*) "The Labour Movement in Japan" (*A. U.*)

1926. Biyar (G. V. Ganapathi) : *Indian Industrialism*.

1926-32. *Arthik Unnati* (Economic Progress) Bengali monthly (Editor : Benoy Sarkar)

1926. Basu B. D. : *Ruin of Indian Trade and Industries*.

1926. Chakravarty D. C. : "Coal, Cotton and Tariff in India" (*Journal of the Bengal National Chamber of Commerce*). "Textile Industry in India and Japan," (*J. B. N. C.*)

1926. Cand G. : *The Financial System of India*.

1926. Das B. M. : "The Technology of Tanning and Finished Leathers" (*J. B. N. C.*)

1926. Das, B. : "Prospects of Oil Industry in India." (*Modern Review*.)

1926-29. Dey, S. K. : Bengali Transla-

- tion of Ricardo's *Principles of Political Economy and Taxation*, (A. U.)
- 1926-30. Ghose Rabindranath. "History of Economic Thought in Europe from the Earliest Times," (A. U.)
1926. Ghose S. C. : "Railway Finance" (*Calcutta Review*)
- 1926-32. *Indian Journal of Economics* (Allahabad)
- 1926-32. *Journal of the Bengal National Chamber of Commerce*. (Editor : Benoy Sarkar)
1926. Karwal, G. D. : "The Problem of Law, Agricultural Production in India" (I. J. E.)
1926. Lokanathan, P. and S. : "Foreign Capital in India." (I. J. E.)
1926. Madhava, K. B. : *Statistical Analysis of Life Insurance Business in India Since 1933*.
1926. Morarjee, N. : "Problems in Indian Mercantile Marine." (J. B. N. C.)
1926. Mukherjee, R. K. : *The Groundwork of Economics. The Rural Economy of India*
1926. Narain, B. : "Eighty Years of Punjab Food Prices." (I. J. E.)
1926. Oak, V. V. : *England's Educational Work in India*, Financial Aspects, 1926. Part. II. *Life Assurance* (A. U.)
- 1926-28. Palit, H. D. : "Economic Transformation of the Races and Castes in Modern Bengal" (A. U.)
1926. Pherwani, S. N. : *Municipal Efficiency*.
1926. Prasada, C. : "Condition of Indian Railwaymen."
1926. Puntambekar and Vardachari : *Handspinning and Handweaving*.
1926. Ranga, N. G. : *Economic Organization of Indian Villages*.
1926. Rau, B. R. : *Economics of Leather Industry*.
1926. Ray, N. : *Takar Kutha* (On Money) in Bengali
1926. Rau, B. R. : *Banking in India*
1926. Ray, S. K. : "Hydroelectric Power Possibilities in Bengal" (J. B. N. C.)
1926. Rudra, N. G. : "Agriculture in Murshidabad and Nadia" (A. U.)
1926. Sanyal, N. : "Silk Industry in Murshidabad" (A. U.)
1926. Sapre, B. G. : *Economics of Agricultural Progress*.
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(To be Concluded).

Towards Bigger Insurance

By P. H. PESTONJI

In the India to come, I like to picture the Insurance Agent playing a much greater part in our National Economy !

The gospel of Insurance has not yet touched the fringe of our population—"gospel" means "good news" but the good news, alas, has not been sufficiently broadcast. What little Insurance there is, in this country, it is confined to the salaried worker in the urban areas. The Government Actuary stated that in a reasonably good year like 1928 . . . there were 564,000 life assurance policies in force—an *insignificant* number compared with the population !

That being so, why has no attempt yet been made to penetrate the rural areas—the villages that are the backbone of the country ! Are we so destitute of workers, of sacrificial workers I had said—that none are willing to exchange the comfort and ease of the Metropolis for the unnamed glories of Nature as typified in its villages and rural environments ?

Whilst it may be correct to say that there is no dearth of willing and even sacrificial workers, yet it has to be admitted that the village is not quite responsive, is still hide-bound in its conservatism and ignorance and is not prepared to exchange its old lamp of primeval hoardings for the new lamp as illustrated by Insurance in its varied forms. And why ?

The reason is not far to seek. The gospel of Insurance has not been sufficiently and loudly proclaimed, so as to make a lasting impression upon the villager even so as to overcome his illiteracy. It may be that

sporadic workers, fixed with lofty visions and ambitions, have made an attempt and failed, and failing have lost faith and have given up the work as a bad job. Herein lies the weakest part of the argument ! How can you expect to reap where the sowing has not been good, where even the ground has not been prepared and where no uprooting of the weeds and the thorns and the bushes ; or the removal of the stone, and the gravel, and the lime : where there has been no proper manuring, or ploughing or watering—in short where the preparation has not been adequate ? If Rome was not built in a day it has got to be believed that neither were our smiling villages or pleasant valleys. Why then bemoan the failure or call it so, when it is entirely of our own causing ?

Do not tell me, you who have made the attempt and failed, that you speak with the authority born of bitter experience, and that whatever else might succeed in the villages, *Insurance will not*. Now is that a challenge ? If it be, then it must be put on the same shelf as the exploded arguments of die-hard bureaucrats who are never tired of proclaiming that India is not fit for Home Rule. If you are true to yourself you have got to admit that your efforts were but half-hearted and lacked the enthusiasm and the conviction which are necessary in a cause such as this. Unless the Agent makes Insurance a fetish—in the best sense of that word, he will not succeed.

It is stated that the village prospect offers certain difficulties at the start—so does

the salaried prospect in town or city : only they differ in degree. The salaried clerk is supposed to be, in comparison with the villager, so much more literate, and so much less conservative. But is he really though ? What is the everyday experience of the canvassers ? Echo answers what !

All things considered, therefore, it appears that there is considerable need for propaganda. We want missionaries to preach the gospel of Insurance just as we have missionaries preaching the gospels of the several faiths. Propaganda implies preaching and preaching implies training. In other words, what we want are trained missionaries, not the stop-gap variety, who take up the profession as a jumping-off ground to better things. Much as it is to be regretted, we have not yet, as a nation, developed the idea of service, or to put it in another way, we have not yet acquired that enlarged civic sense which should make us look upon service to our fellowmen, as service to ourselves. Our outlook is still narrow and parochial. It is true that service, as understood today and as typified in Western countries is always associated with a fat salary behind it and we may or may not do likewise.

We have then much lee-way to make in this direction if we are to develop our ideas of service to the greatest good of the greatest number. There are opportunities always knocking at the doors of those who are willing to shoulder responsibility, for, in effect service implies not only responsibility, but also sacrifice : and sacrifice is a path beset with so many stones and thorns that the average human being who is too much at heart a lotos-eater would rather prefer to tread the primrose path of dalliance—and starve !

Given such a band of earnest and devoted workers who with scrip or bag are prepared to wander from village to village ; explaining to the best of their knowledge and ability what insurance means in its various forms and the benefits and advantages to be derived therefrom, what cause is there that we should despair ? Incidentally, it may be mentioned that teachers and students repairing to their villages during vacations can make excellent "hot gospellers" if they want to be so. They have no axe to grind and no commissions to earn. Even if they don't want, yet such commissions if earned would help many a teacher or student to qualify for further studies and improve his status, though personally I believe that the enthusiasm, the faith and the love of service on the part of students (and teachers too) transcend all such monetary considerations, if only the call is made to them for such service and they have a good leader to guide them on and keep their enthusiasm lambent and undimmed.

Likewise have we need to carry on a silent and unostentatious propaganda through the medium of the Vernacular press. It is stated that for one man who purchases an English paper at least ten men read it. The proportion must be somewhere between 1 to 50 or 60 in respect of a Vernacular paper. Which Indian Companies have yet made up their minds to advertise in the Vernacular press ? A mere bold advertisement will not do, which sets forth the assets of the Company, or its last bonus declaration or the opinion of the Actuary. There must be columns of the Vernacular press devoted to the cause of Insurance explaining to the average man in the village what Insurance means—simple honest straightforward talk which will at once

go to the heart of the villager. Even among the English educated classes how few there are who know anything worth knowing about Insurance! The vast majority foolishly and ignorantly connect insurance with death and we all know with what horror and repugnance the average man looks upon death. Is it any wonder, therefore that Insurance instead of attracting repels the proponent?

Then again at village fairs and festivals much useful literature in the Vernacular could be distributed or demonstrative lectures arranged. Again Insurance Companies might make arrangements with authors or publishing houses, that in every book printed in the Vernacular a few pages should be devoted to Insurance particularly the kind of books that will find their way into village libraries. In effect, the village atmosphere should be surcharged with Insurance through and through and every means tending to secure this end should be considered good, effectively good.

The principles of Insurance being the same, most of our Indian Companies could pool their resources and launch upon a strenuous campaign of co-operative advertising. We have yet to move very far forward in this direction, and the sooner we begin the better!

Another means by which the scope and influence of Insurance Companies could be

widened is by our Indian Companies making it possible for lives to be insured for lesser sums than Rs. 1000. It is true that a few companies have the minimum as Rs. 500, but even this could be reduced or varied to suit the pocket of the individuals concerned. That probably explains why free Insurance companies have risen to such mushroom heights in a short interval of years! Why should not an Insurance Company seek to safeguard in the form of a policy the hidden and hoarded wealth of rural India, and thus make the national resources of the country more fluid? Thus if Indian Companies shed their fear and their rigidity and make themselves more elastic they are sure to attract to themselves a much larger volume of business. For the present, it would appear as if the Indian public exists for the Insurance Companies and not the Insurance Companies for the Indian public! That way lies stagnation, and those at the helm of affairs should see to it that we move out of the rigid beaten tracks—the sooner, the better!

Such are a few of the problems that those who are in the Insurance field have got to tackle and overcome. Given the changed conditions, the Insurance Agent is bound to play a much greater part in our national economy.



The Tragedy of the Vistula

(From Our Warsaw Correspondent)

The Vistula is undoubtedly one of the most important rivers of Central Europe and has, in the past, always been noted for its brisk traffic. It is very pathetic, therefore, to see that this traffic has now practically deserted its former route. Days and days may sometimes pass before the traveller encounters a steamer or a train of barges on its majestic expanse of water. The contrast, in this respect, between the Vistula on the one hand and the remaining rivers of Germany on the other, is very striking. The present desolation is the direct outcome of the policy of violence consciously pursued by Poland for the past ten years.

One of President Wilson's celebrated fourteen points contained the demand that Poland should be given free access to the open sea. This demand might have been satisfied by stipulating that Poland should be allowed to use the Lower Vistula freely for her overseas trade and by granting her special transshipment facilities at Danzig, the great seaport where the Vistula empties itself into the sea. A similar plan has actually been adopted in the case of Czechoslovakia, which country has been granted the lease of a suitable site in the free port of Hamburg. Germany therefore proposed, in the course of the "peace" negotiations, that the Vistula should be internationalized, just as had been done in the case of the Rhine, the Danube, the Elbe, the Oder, and even the Niemen. This perfectly adequate proposal, however, was not accepted. The reason was that Poland, actively supported by France, had much

more far-reaching, *i. e.*, territorial, aims in connection with the Vistula. If the river had been internationalized, she could not have presented her territorial claims; and to satisfy these, she was given a broad tract of land on both sides of the river, now known as the Polish Corridor, but at that time forming part of Germany's eastern provinces.

Owing to the carefully organized propaganda carried on by Poland and France, the great dangers arising out of the establishment of the Corridor have been largely concealed from the world. The fact is that through the existence of the Corridor the German province of East Prussia and the German city of Danzig, which latter has been given the status of a "free city," are completely severed from the rest of Germany and that these areas have been deprived of their natural hinterland. Poland, not content with her policy of chicanery against the trade of Eastern Germany, is also engaged in carrying out a number of strategic measures with a view to the eventual absorption of still more German territory than she has been given already. To this end—and for the special purpose of paralyzing the seaborne commerce of Danzig—she has created a new Baltic port, Gdynia, situated only a few miles distant from Danzig, which she is fast developing into an up-to-date commercial and naval port. The funds for this enterprise have been largely advanced by her French ally. An important new railroad—likewise built with French money—now connects Gdynia with the Eastern

Upper Silesian coal district (another area ceded by Germany). If we bear in mind these circumstances, we shall understand why Poland refused to agree to the internationalization of the Vistula and why she also declined to ratify the international agreement embodying certain legal provisions governing waterways of international importance, recently drawn up at the traffic conference at Barcelona under the auspices of the League of Nations. If she had joined in this agreement, she would have exposed herself to the risk of having to do something in connection with improvement work on the Vistula, which is the last thing she wants to do. Her aim is to damage Danzig in its struggle for existence to such extent that this city will be ready sooner or later for incorporation with Poland. In furtherance of this Polish aim the great waterway of the Vistula is allowed to become more and more unfit for navigation.

Poland's action, or rather inaction, in this respect merits particular censure because, under the German regime, the Vistula was one of the most cared-for rivers of Germany.

As late as 1928, almost ten years after the conclusion of peace, the German Ministry of Traffic was justified in pointing out that, thanks to the good work done by Germany before and during the war, shipping on the Vistula could still be carried on without impediment. It had to be pointed out, however, when this statement was made that the river would soon decay if the new owners refrained from properly continuing the maintenance work.

Poland sometimes puts forward the excuse that she has not sufficient money to attend to the needs of navigation on the Vistula. But that can hardly be her real motive; because, if it were true, it would be difficult to understand why she was able to spend huge sums on the development of Gdynia and on the work of connecting this port with Bromberg. The truth is that the intentional neglect of the Vistula is one of the many ways used by Poland in furtherance of her real object, *viz.*, the elimination of Danzig as the natural outlet of the huge district watered by the Vistula.



Plea Against Premature Return to Gold Standard

By N. L. NANDY, M.A., C.A.I.B. (Lond.)

In the nineteenth century Britain left silver and led the way to introduce the fairly modern device of gold standard. Very significant reasons are underlying the announcement reserving for her complete liberty to choose both the time and parity for a return to gold, and her unwillingness to come to an immediate decision.

The gold standard is a very sensitive piece of mechanism which has been very aptly compared to the ball cock of a cistern as the standard was devised to keep the international trade of different countries properly paid for. It is more than a legal requirement, under which the legal tender can be converted into gold. The gold standard has a deeper economic purpose, and that purpose is to maintain an established relationship between the values of the currencies of different countries and thus maintain a real co-ordination of their respective economic system.

The economic function of the gold standard is to control the supply of money. It is of the essence of that standard that gold should ultimately move to adjust balance of payments. This gold movement will be followed by variations in discount rates which will produce necessary changes in the volumes of currency and credit. But it has been the usual post-war practices in many countries to correct adverse balance of trades by means of tariffs, and tariffs were never meant for that purpose. Next, gold after it flows in a country is sterilised. It is not allowed to perform its primary function which is to control the

supply of money. This one way flow of gold will eventually drive off the gold standard those countries whose goods and services are rejected and gold only accepted.

There is another way which adjustment of currency to surplus or deficit in trade is not allowed a free play. This is the system of free reserve under which a portion of the available gold supply in a country is used as a cover for currency while some is used to prevent the gold export from exercising its influence on currency and credit. The system seems to be the outcome of an idea that an accidental deficit or surplus in trade is to be corrected by movement of gold and not by movements of funds, *i. e.* credits. This not only involves waste but also increases the difficulty in deciding when currency control is necessary.

An important function of gold standard is to maintain an appropriate relationship between the price levels of the countries employing that standard. Under ordinary circumstances we can find there an established relationship between the prices of several commodities and that relationship is maintained by the fact that the price of each commodity is governed by its cost of production. This cost of production is mainly labour cost direct and indirect. But in the post-war period the statistical significance of changes in price levels is much reduced. There has been wide disparity between the rates of wages in unsheltered industries, *i. e.*, industries open to outside competition and sheltered industries. It is also found that

when a universal reduction of wages by a certain percentage would restore equilibrium of trade the workers of sheltered industries would not agree to lower rates and the result was that the rate of wages in unsheltered industries was reduced by a higher percentage than would have been otherwise necessary. This disturbs internal equilibrium without which no stability is possible in economic affairs. Normal distribution of wages should, therefore, be first restored before a come-back to gold standard can be staged.

Another factor that can make the gold standard precarious will be found in the way in which countries having means to spare invest their funds elsewhere. Since the war, investors everywhere have lost confidence which is the pre-requisite of long-term investment. People attach far more importance on security than the rate of interest that their investment will yield and they are after that form of security which they can realise without delay and loss. The industrial securities are neglected and in every financial centres there is a plethora of short term loans that are providing investment capital for industries. The defect of such a condition is obvious, there will always remain the possibility of withdrawal of funds at the first sign of danger. So long these conditions are not remedied it will not be advisable to restore the gold standard. England has very large foreign investments but after the War

she did not find the wherewithals of these long-term investments entirely from her export surplus. She utilised for this purpose proceeds of some portion of short loans left with her and she naturally had to suffer the consequences of the perilous policy she followed. In this connection it can be observed that when after the War countries returned to gold they did it rather simultaneously. Some currencies were overvalued. Some were undervalued and these wrong valuations interfered with the normal flow of trade. Export surplus from England dwindled as her currency was overvalued. Values of currencies must be fixed rightly according to their purchasing power parity before a return is made to gold.

Lastly, before a decision is taken to return to gold, the problem of war-debts and reparations needs solution. The difficulty about the war-debts is not their amount but the rapidity with which they came into existence and the resultant changes that came in the financial relationships of state irrespective of changes in their industrial relationship. The value of gold at present is not the same as it was before and if the provision to vary reparations with variations in values of gold had been included in the Young plan as it was done in the Dawes plan some of the major difficulties of the last few years could have been avoided.

The Sickle and the Hammer

(A study in the problems of Modern Indian Economic Organisation)

By KARUNA KUMAR NANDI

II.—Bengal

There is a well-known expression in English, "in for a penny, in for a pound." When I had the honour of being invited to write for the Anniversary number of the *Insurance and Finance Review*, I foolishly believed that was the only article that I would have to pen for the journal. But I had obviously counted without the host! I had quite forgotten for a moment the tenacious obstinacy with which editors are wont to coax articles out of unwilling or lazy aspirants to authorship. The editor wants me to continue my last article to what he says, should be its natural sequential finis. Well, I don't see any way out of it. However, in for one article, in for two, or a dozen for the matter of that!

In my last article I had endeavoured to show that the peculiarity of the economic organisation of this country before the advent of the present industrial innovations, was to be found in the multiplicity of productive occupation indulged in by the average number of the Indian productive community. What was thus true of India generally, was more so particularly of Bengal, and to some extent also of U. P. That the province of Behar and Orissa show an almost similar state of organisation as Bengal except perhaps only in her economic resources, is not to be wondered at, for this province has only recently been partitioned off from

Bengal, and was in fact a part of it, so far as historical evidence is available, even from the time of the pre-Buddhistic Emperors of India. Now, the use of the expression, 'multiplicity' was perhaps stretching the language a bit too far, at least, I admit, so far as Bengal is concerned. In fact the state of economic organisation of Bengal before the advent of the British, and before it had begun to be broken up by the representatives of the new factory outlook after the Industrial Revolution, showed a marked duality of productive enterprise and occupation. On the one side there was the cultivation of the soil, a general occupation for almost all kinds and castes of people of this province. Some of the rural population did not of course actually till the soil with their own hands, but even most of these people had to draw directly from the soil at least an appreciable part of their necessary sustenance. These constituted the so-called *bhadralog* classes, who, with the gradual permeation among this community of education and the dissemination of western sciences and ideas, now constitute, what, in the European sense, should be called the intellectual *bourgeois* of the province. They are not what would be called the *bourgeois* in Europe. In fact there is practically no such class in Bengal. Nor could these people be identified with those who boast of being what they style as the *intellectual proletariat*.

To be frank and honest, there is no such class either in this province. Notwithstanding the fact that a few among the younger generation in the *bhadralog* community are beginning to take an interest in the European intellectual proletariat, particularly the Russian of this class, this interest is far too ideally intellectual to have any practical bearing in our social polity. On the other hand, most of the people who carry on the actual cultivation of the soil are found to occupy the hours which they either are not able to or do not have to spend on the field, by some handicraft or other trade which is plied, or really has been plied from generation to generation, through the immemorial ages. That is the reason perhaps for the development and growth of so many sub-castes and communities not merely among the Hindus in Bengal, but also to a certain extent, even among our Mahomedan brethren. In fact all the numerous castes and sub-castes have grown up not really upon the scriptural or even socio-religious sanction of the then Hindus, but really on the far more enduring basis of a vital necessity for a division of labour among the different component parts of the community which has to carry on its existence as a whole. Referring to the history of the institution of caste, we find sanction only for the four castes referred to in Manu, and also, at a later period, sanction seems to have been accorded to the recognition of a fifth caste, which should only be given the privilege of serving the so-called higher castes, though it seems to have been enjoined on this fifth caste that they should in no way demand any civic or any other amenities of civilized life, and seems to have been strictly forbidden even against coming near the so-called

scripturally sanctioned four higher castes. Their duty seems to have consisted merely in the serving of the people who controlled the society in every respect, even as the capitalist is alleged, today, to control the destinies of the modern civilized world ; but their services which were of course accepted as a matter of course consisted merely in the ignoble act of keeping clean the places and cities where their masters lived, though they themselves seem to have systematically denied a clean life. In Bengal, however, under each of the sanctioned four castes, and strangely, even under the fifth, there are numerous castes and sub-castes, which constitute evidence of the fact, by their very nomenclature, of their being occupational castes. That such castes were also hereditary were but natural, as these productive enterprises, as I have already remarked, have been hereditarily plied, and brought to a point of perfection through the generations, that the principle of division of labour would make it inconsistent, if and outside a particular occupational caste were to attempt their production. Though these castes don't seem to have been based on scriptural or socio-religious sanction, they are nevertheless based on the far more vital basis of socio-economic necessity. Similarly with the Mahomedans in this province. Though there is no caste in this community, yet they have naturally adopted like their Hindu neighbours, such distinctive occupational caste-nomenclature, and have similarly developed into small hereditary occupational groups and communities.

I have already referred in my last article to the advent of the British into this country, at first, ostensibly as peaceful traders, and the reasons for their establishing their head

quarters, I mean the headquarters of the East India Company, in Calcutta. Naturally the most fertile province in India, Bengal, was, consequently, at the time the British sought a trade concession in this country, at a comparatively higher stage of economic and agricultural development than the other Indian provinces. Prosperity always stimulates human cupidity and avarice, and the British are not above this common human failing. The result was that by diplomacy, and not really by war,—for whatever the English historians might have said, the Battle of Plassey was but a war of wits and not so much a war of valour and physical courage,—and not a little by what in plain language would be called cunning, the British gradually insinuated themselves into the political and administrative machinery of the Nawabs of Bengal, and finally, with 1757 finished by assuming complete political and administrative control of the province altogether. With the changes consequent upon the Industrial Revolution in England, the control of the British over the administrative machinery of the Province was but an added weapon in the systematic and consistent policy of exploitation that they pursued and are still pursuing with all their wily talks about commercial safeguards, and of things being in the “common interest of India and the United Kingdom.” The result was, as I have already stated, that in course of less than a century the whole economic organisation of the province was scattered to the four winds, and the people gradually started to degenerate into a purely landed ryotwari, dependent more or less and really more than less, entirely upon what the soil would bring to them for their sustenance.

Referring to the time before the British

were able to usurp the throne of Bengal, Prof. Dowcey states that during the time of Shiraj-ud-dullah, Bengal was one of the foremost countries of the world in wealth and riches. There was plenty of luxury in the life of the rich and the elite, and the common artisan and the landed ryot were also enjoying a fairly prosperous and happy life. Mr. Digby says on the other hand, that before the triumph of the British in the Battle of Plassey, and consequently before wealth from Bengal had begun to find its way to England the condition of the English manufacturing industries, and consequently of those of the agriculturists were miserable in the extreme. Reading the above two statements with the words of Mr. Brookes Adams that after the Battle of Plassey the looted wealth of Bengal began to find their way to England, and specialists agree that the foundations of the Industrial Revolution of the nineteenth century were laid in 1760, one is induced to wonder if it was not really the accident of the British having gained administrative control over this province that the Revolution did happen at all. However that may be, strange coincidence of the Industrial Revolution following closely upon the assumption of the administrative control of the province by the British indicates secrets which, if properly investigated, may probably open up new vistas of interest to the student of contemporary political and economic history.

With the introduction of the Railways under Lord Dalhousie, we find the gradual adoption of the modern industrial system in this country also. But in the Railways it was really for the benefit of British trade, and the British trader in India. It did not serve to actually hold out hopes, though it undoubtedly excited the interest and imagina-

tion of our people, for the industrial and economic regeneration. But what more directly served to kindle the embers of industrial ambition was, again, a thing, which belongs entirely to Bengal. I am referring to jute. With the spread of trade far and wide and the consequent necessity for the discovery of some carrying material for British merchandise to the outlying parts of the Empire Markets, the Englishman in Bengal selected jute, which appeared to him to be both strong and cheap, for this purpose. Before this, small quantities of jute were used to be cultivated for the home consumption of our people. A great impetus was therefore given to the enhanced cultivation of jute, and our people also found its cultivation of comparatively bigger profits. It was however not quite practicable for the raw jute to be carried unpressed and unlabelled to England, and consequently one of the first modern factories in Bengal, though comparatively very small in respect of modern dimensions, was a jute baling press.

Curiously enough jute has been a double-edged sword so far as the economic conditions of Bengal are concerned. With the introduction of the jute-baling presses a great impetus was naturally given to the cultivation of jute,—sometimes even to the extent of being to the detriment of the essential agricultural necessities of life. But the very Englishmen who first introduced the jute-baling presses in this country found that raw jute baled and exported to the factories of Lancashire and Dundee did not fetch them the profits that they would otherwise earn if they were to start producing the finished commodity in this country, with our cheap labour and with the cost of freightage eliminated. An Englishman never convince.

himself of a thing and does not do it. The jute mills began to be started, and even to this day it is really the jute industry which marks Bengal out as one of the most progressive, in spite of her apparent and obvious backwardness in other respects, and industrially developed provinces in India.

I was saying that jute has been a double-edged sword in our economic life. It has on the one hand marked our province as one of the most progressive industrial provinces, providing at the same time, as has been recently calculated, employment to well over eighty lacs of our population more or less directly, and on the other it has also been, somewhat directly and partly indirectly, the source of terrible misery to our rural population. In fact, jute has grown up in the economy of this province, as our most important *Key Industry* and like all *Key Industries* it vitally affects the life of our people,—of those who are directly dependent upon it for a living and those who are not,—whenever there is a slump in this particular industry. I want to emphasize the expression 'slump' because it has been found from experience that comparatively prosperous times in this as in most other industries, do not usually fetch in a proportionately higher benefit to the people, although even the slightest slump in the trade adversely affects our people, sometimes even more than proportionately. Take for instance, the recent jute slump that has been going on since about the end of 1929. Since then, except for occasional and very brief and sudden upward fluctuations, the prices at which jute has sold have been between Rs. 2 and Rs. 3-8. Anyone who has the slightest idea about jute and its cost of production will realise that such a state of affairs is not merely unpre-

cedented, but that it is unnatural as well. The average cost of production of jute is, taking the price of the year 1929 as the standard, between Rs. 6 and Rs. 6-8. Conditions may, of course, be explained away by reference to the so-called unprecedented slump in world prices and the fact of over-production of jute. But that can never possibly explain away the fact that inspite of such slumps, and the slump is so bad that a fall of more than fifty per cent below the cost of production marks the price of jute sold in the market,—the Bengal jute mills continued to pay, considering the present conditions,—very high dividends. Only about fourteen mills did not pay dividend in 1930 and 16 in 1931. The reason for this withholding of payment of dividends was not, however, that they could not pay or that they did not earn any profits, but,—as will be found from the balance sheets of most of these concerns,—that they considered it wiser to carry larger funds to reserves to provide against possibly worse times. The rest of the mills paid dividends of between 3 to 70 per cent. in 1930, 3 to 40 per cent in 1931, and $2\frac{1}{2}$ to 25 per cent in 1932.

It will be evident from the foregoing figures that the interests of the industrial *Entrepreneur* and those of the capitalists have been amply secured even through the present extremely stringent times, while the cultivators and all those who have to depend on the agricultural aspects of jute and its distribution in the raw stage are the people who have been terribly hard hit by the slump and to whom no succour is available in this misery.

Jute, it has been said time and again, occupies a unique position in the economy

not merely of this province, but of the whole country, if not of the whole world. Jute has, for more than a century, been the carrier of the world's merchandise, and though a glut in the world's commodity market is likely to similarly affect the jute trade, the glut in jute should not, in natural circumstances, be so much out of all proportions to the glut in the world-market, as has been and is being experienced during the last triennium. There must be other forces at work behind jute that are responsible for the present condition of the trade, forces that we may not be able to definitely account for, yet which are nevertheless there.

Anyway, the introduction of the jute industry in this country was soon followed by some effort, though feeble, for the industrial regeneration of this province, yet at the present time the economic condition is such as to justify the remarks of the Bengal National Chamber of Commerce that "the economic structure of Bengal to-day... has become very largely, if not exclusively dependent on agriculture, and then too, on one particular crop. The dangers of this situation is obvious..."* In fact, where agriculturists account for more than eighty per cent of the population, and of the rest, particularly of the middle classes, comprise mainly in the learned professions, taluqdars, and other tenureholders, all indirectly dependent on agriculture, the economic outlook is very doubtful indeed. "Man cannot live by bread alone," as much as he cannot live merely on wearing apparel. Agriculture of course directly brings to our mouths the necessary sustenance, but it cannot meet by

* Economic Problems of Bengal, being a memorandum submitted by the Bengal National Chamber of Commerce to the Govt. of Bengal,—Pp. 3.

itself all the various and variegated necessities of the existence of a social being. Society needs for its sustenance not merely food, not merely clothing, not merely decent housing rooms and proper sanitation, it needs for its continued existence, above all things, progress. And progress is marked by material prosperity as much as by intellectual and spiritual advancement.

The condition of present-day Bengal, so far as material prosperity is concerned, presents a dismal picture indeed. In all branches of her economic and commercial life she is being lacerated on all sides by usurpers, her position being that of a hopeless agricultural dependent. In all branches of trade she has been displaced by outsiders and even in "the distributing trade" which at one time was mainly in the hands of our local *sreshthis* or merchants,—“the wholesale side of the activities are now mostly out of her hands. Bengal commercial enterprises therefore have crowded into that small proportion of trade, resulting in severe and unhealthy internal competition. As a consequence the general position of the Bengal trade itself has been weakened and the strength, size and organised resources of the units have remained comparatively small.”*

Looking at the present economic organisation of the province, it may be broadly divided into two main divisions, namely, (i) Urban Bengal, and (ii) Rural Bengal. Urban Bengal can further be sub-divided into two distinctive groups, (i) industrial towns and (ii) district towns. The growth and prosperity of the industrial towns, as well as their importance in the organisation of the province are mainly dependent on their industries. The district towns on the other

hand owe their importance primarily to their being intellectual and official centres. Whatever industry and trade may be carried on in these towns, they do not generally impart any extra importance on them. The industrial efforts of the province again, may be grouped into three distinctive divisions, (i) rural cottage industries, (ii) suburban cottage industries, and (iii) urban factory industries.

The condition of our rural industries at the present moment is miserable in the extreme. The primary rural cottage industry of the province has been weaving. But though this industry had been able in days gone by, to more or less withstand foreign competition, yet recent competition from our own mills, coupled with the propaganda of the Congress against them by reason of their using foreign yarn, have reduced this industry, which, not very long ago, accounted for a part of the living of more than twenty per cent of our population, to a condition of almost a negative utility. Inquiries among the weavers of the Districts of Dacca, Mymensingh and Tipperah have elicited the information that most of these people have been burdened with stocks that they do not know how to dispose of. The reason why these people have mostly to use foreign yarn, however, was never looked into by the Congress. The fact is that Swadeshi yarn is not available in the market for their use. Most of the smaller mills of this country do not produce yarn, but only go in for the weaving of textiles with yarn bought from the larger mills who have a surplus; and it is well known that after meeting the requirements of these smaller mills, there is hardly any surplus left over of Swadeshi yarn for the use of our small weavers. Congress, whatever its political justification, has

economically and commercially betrayed the weavers of Bengal. Congress did not look to their problems, but have sacrificed them to its political methods.

The suburban cottage industries also have similarly come to the end of their tether. The most important of these are worlds of arts and crafts and also the manufacture of metal utensils and similar other utilities. So far as utensils and other similar industries are concerned, our markets have been flooded with cheap and light substitutes, which, though they go by the name of Swadeshi are really of imported material. Curiously enough, Congress has not a word to any against the inundation of our markets by these cheap produces which are really to the detriment of the very existence of our own industries in the line. As regards the arts and crafts a recent inquiry has been carried out by Government. But like most other similar inquiries have resulted merely in the appointment of a few officials who, it is supposed, will work for the regeneration of these industries. What fruit such efforts have borne is patent to everyone. The real problem of these arts and crafts is the absence of any marketing organisation commensurate with modern conditions. The people who have been the hereditary custodians of the genius of these industries come from an uneducated stock, very far indeed from the current of modern life and its methods. The result has been that their own independent industries failing them, they have been forced to fall back upon, in most cases, to employment elsewhere. Employment generally open to such as these do not usually provide them with an adequate living, making, naturally for a worse and worse degeneration of these arts and crafts.

Referring to the factory industries we find three main industries, besides tea, being carried on in this province, *viz.*, Jute, Cotton Textiles and Rice Milling. Of these Jute, as I have already remarked before, is by far the most important. The industry, as I have already stated, provides employment to well over eighty lacs of our countrymen, an attractive figure no doubt. But of this only about ten lacs are natives of this province, who are cultivators of jute. The rest mainly compromise the labour and the distributing agents of the industry. Distributing agents are of course negligible in point of numbers, but the very large labour force of well-nigh sixty lacs employed by the jute mills in Bengal are mostly and mainly of imported non-Bengalee element. From the point of view of capital and organisation also the proportion of Indian capital employed in his trade is negligible, of Bengalee native capital, practically nil. It is the most curious and at the same time a most galling fact in the economic organisation of this province. Cotton textiles and rice mills occupy a comparatively much less important position. And in these industries though there is the consolation of a larger proportion of local capital and organisation, yet the labour is mostly of imported element. I would not however refer to tea in this connection. Any investigation into the conditions, prospects and the machinery of working of this industry would occupy volumes, and should therefore properly constitute a separate study by itself.

Taking the foregoing analysis into consideration, one cannot help being impressed by the extremely miserable conditions and hopelessness of our economic outlook. We cannot however shift that blame to other shoulders, if anyone is at all to blame for

such a state of affairs. We cannot shut our eyes to the fact that our present misery has been of our own making. We have been notoriously a race of bunglers in commercial enterprise, weak-kneed unsteady vacillators. And whatever panacea may be offered to the solution of this misery, it can never be brought to a successful issue unless we have been able to clear our own character of this justifiably fateful stigma. It would indeed be futile to suggest any remedy unless we have been able to develop again in ourselves that strength of character, that persistent steadiness of purpose and that unwavering determination for realisation of an ideal which make for success in life.

Whatever remedy may however be suggested, due regard must be paid, by those who would take upon themselves this onerous and thankless task, to the present fundamental economic basis of this province. Any remedy divorced from the essential fundamentals of our *natural* economy can but fail of its purpose, and is bound to be futile. An out and out industrialisation of this province in the western lines will only serve to further alienate the natives of the province from our commercial and industrial enterprises, and further widen the already ugly breach between industries and agriculture. Land still constitutes the greatest asset and the richest economic resources of the province, and such a method would inevitably affect this perennial source of wealth in an adverse way. A primarily agricultural province, both economically and temperamentally, like ours, though she must needs have her own industrial enterprises to meet her own requirements in the line, cannot with benefit be thoroughly industrialised in the western way. Some method must be evolved which

makes for the harmonious and complementary development and progress of both industries and agriculture side by side. This can only be done by spreading over the whole province small units of industrial enterprises which will carry on their work alongside of local agriculture.

But in any such attempt the principle, that the "primary purpose of production by any national or territorial unit is the consumption of the produces principally within the limits of the unit itself" should be carefully borne in mind. More than a half of the misery of the modern world would not have happened if this principle were as carefully practised as it is professed by many of the so-called civilized nations. Extra-territorial trade can only be carried on with surpluses in produces that can be produced comparatively cheaply for their exchange with similar produces of other countries or territories so that the exchange may secure a better satisfaction to both the parties than what would be derived by the direct consumption of the produces by the countries or territories respectively producing them. Wealth in the law of God is for general welfare, as it should also be in the law of man. When wealth grows up to be an instrument of exploitation it becomes one of the most sinister weapons that the ingenuity of man can evolve. And to guard against this danger, due consideration must be paid to the direct consumption of as large a proportion of the utilities or wealth within the territorial or national limits as possible.

There is also one other thing to which due consideration must be paid in the work of the economic regeneration of our province. I mean our present social structure. There does not seem to be anything fundamentally

wrong with the structure of our rural society, though there are many a thing which is apparently undesirable. Any kind of economy which may foolishly make for the violent breaking down of this structure, cannot be enduring. We Bengalees are a timid race, but when it comes to the question of violently shattering our traditional ideals and scattering to the winds our social environments, we can be as hard and quite as inflexible as granite. Whatever be the programme of our economic renaissance, it must not do to rudely jar upon our sensitiveness in these matters, but they must be so reinterpreted and carefully moulded that, instead of being a hindrance, they may grow up to be a real help in the work of our regeneration.

I have already stated that to achieve a complete economic renaissance of the province, our productive enterprises must be reorganised on a decentralized scale. But this decentralization must, if we are to avoid the pitfalls of class-warfare and unemployment, be carried out on a democratic basis. The experiences of the modern world during the last one hundred and fifty years and more in the matter of control by an *economic oligarchy*, have been scared with the stinking quagmires of class-antagonism and unemployment. In fact, the whole of western world has been groping about in the darkness as it were for something to light a way out of this blind alley. The only way out so far found by the western world is a state-planning of national economy. Conditions in this country, politically and otherwise, are not favourable for such a method even if it were

expedient. But that some sort of planning is inevitably necessary for avoiding class antagonism and unemployment, is essential. The only kind of planning that can be possible in the present circumstances and that can secure to a certain extent a more equitable distribution of wealth, is the more well-known, and I should say, well-tried, democratic method of planning our economy on an altruistic basis. *Unitary or oligarchic* control must, in any case, be eliminated from any future scheme of decentralization that may be adopted for the economic renaissance of this province. Such a work will no doubt be very difficult indeed, and uphill, and will, of course, inevitably entail a tremendous tax on the energy of our intelligentsia who alone are the only fit people to take up this work, and demand a wealth of unflinching patience and unwavering devotion from them. But in any case it is well worth giving an honest trial.

It is not, however, possible to congest within the scope of a small article all the various sides of the question which must necessarily be dealt with more fully, to be of any value, and carefully considered. I am afraid I have already overstepped the limits of courtesy extended to me by the Editor, and tried the patience of my readers. My profoundest apologies are due to them. I would, however, like to mention before I close that I intend to deal with the question raised in the last few paragraphs of my present article more fully in a further article if the Editor will be good enough to further extend the courtesy of his columns to me.

EUROPEAN INSURANCE INTELLIGENCE

(From Our Berlin Correspondent)

BERLIN, AUGUST 1, 1933.

German Motor Business

Although no official report has been published yet regarding the German Motor Insurance business for 1932 it can be stated that this business has been affected considerably by the general economic crisis which has still been intensified by the rather high taxes on autocars as well as the increase of prices for inland fuels. As a consequence many cars have been laid up and in order to economize a great many automobilists have had themselves insured against the Third Party risk only and in many cases against Fire and Theft.

As far as losses are concerned their number has decreased in 1932 as a consequence of the general shrinking of business, but taken as a whole the companies writing Motor business have realized a small profit.

In the new year conditions have changed to some extent as a consequence of the measures taken by the National Government aiming at a revival and stimulation of the Motor industry to which effect the taxes on old cars have been reduced, whereas new cars do not pay any tax at all. This has indeed led to a revival of business, especially in small cars and on the other hand many cars which had been laid up have been put into service again.

Furthermore, the Association of Motor

Underwriters has according to official news decided to introduce a new obligatory tariff which will be established by a Commission. By this new tariff which will at last put an end to the actual state of underquoting beyond any reasonable limit the premiums which had already been reduced to a minimum will be reduced further but there will be a franchise for both motor and third party accidents of Rm. 50 and it is being expected that all these measures will lead to a revival and stimulation of the Motor Insurance business.

It may still be of interest to learn that an important Company at Cologne has recently made up its mind to renounce in future time on the deduction made generally by all Motor Insurance Companies for the replacing of old pieces by new ones.

According to the statistical investigations made by the German Board of Statistics the number of individuals coming to death through motor accidents is 6,000 per year, the number of wounded being 50,000 per year.

THE NEW OBLIGATORY TARIFF

As a result of the negotiations started by the National Government with a view to reducing the premiums in the interest of a further revival of the motor-car business there has now been established a new

obligatory tariff being binding for all Motor Insurance Companies in Germany and getting in force on the 1st July.

This new obligatory tariff means a reduction of 30 to 50 per cent. against the premiums of the former gross premium tariff, but seeing that as a consequence of the keen competition this latter tariff has not been stuck to by the companies but had already been reduced up to 50 per cent.—speaking generally, of course one, cannot *de facto* speak of a reduction as mentioned above. Taking into account, however, that for the reasons mentioned above motor insurance premiums had already been reduced to a minimum—which is also corroborated by the results in obtained 1932 which taken as a whole do not exceed a profit of 10 per cent. it can be said that the new obligatory tariff is entirely meeting the actual situation.

The new tariff is providing a penalty for non-fulfilment of Rm. 300 up to Rm. 10,000 and all special contracts or agreements granting special allowances are to be set out of force immediately, the Association of Motor Insurers in Germany having to be informed of this up to the 15th July.

Furthermore the commissions are being reduced by this new tariff, the broker or agent getting a maximum commission of 10 per cent. whereas all persons not exercising insurance business as a profession, Associations and Unions of any kind whatsoever, retail dealers, sellers of motor-cars, motor car makers, financing institutes, etc., and insurance offices which have been established by such persons or associations, etc., will in no case get more than 5 per cent. of the premium for the first year of the insurance contract.

An allowance of 5 per cent. will be granted for 6-10 motor vehicles of the same owner and of 10 per cent. for 11-24 motor vehicles.

It is to be hoped that by this obligatory tariff being binding for all motor insurers and which will at last put an end to the detrimental underquoting beyond the limits of reasonableness German Motor Insurance will return to normal conditions,

German Fire Losses in April

According to the statements made by the "Association of Public Fire Insurance Companies in Germany" the losses sustained last April by the Companies belonging to the above Association amounted to Rm. 5,006,087 as against Rm. 6,933,854 for the preceding month and Rm. 7,235,007 for April 1932. The number of losses was 5215 as against 6810 for March 1933.

According to a report published by the Board of Statistics in Berlin there were in existence in Greater Berlin at the end of 1932 68 joint-stock companies transacting insurance business, representing on the whole a nominal capital of Rm. 189,894,000.

According to a report published by the Board of Statistics of the Reich regarding the indebtedness and the burden of interests the total sum of credit-indebtedness of the whole German trade was on the 30 June 1932 Rm. 91,5 Milliards !

German Fire Losses

The total amount of losses sustained last April by the companies belonging to the Association of Private Fire Insurance Companies in Germany was Rm. 5,020,000 as against Rm. 6,290,000 for the same month of the preceding year and Rm. 7,200,000 for March of this year. The total amount of losses is for the first four months of this year Rm. 24,360,000 as against Rm. 30,250,000 for the same period of the preceding year and Rm. 31,800,000 for 1931, Rm. 33,220,000 for 1930 and Rm. 51,590,000 for 1929 in which connection attention is to be drawn again to the steady depreciation of prices and values during the last few years.

According to the statement published by the Association of Public Fire Insurance Companies fire losses sustained last May by the Companies belonging to the above Association amounted to Rm. 5,090,625 as against Rm. 5,006,087 for the preceding month. The number of losses was for last May 5351 as against 5215 for April of this year.

THE STUDENTS' FORUM

C. L. U. Questions

The Chartered Life Underwriter examinations (America) are given in five parts, Part I dealing with the Economics and Principles and Practices of Life Insurance, Part II the Principles and Psychology of Life Insurance Salesmanship, Part III with Economic Problems, Government and Sociology, Part IV with Commercial and Insurance Law, the Law of Wills, Trusts and Estates and Taxation, and Part V with Corporation Finance, Banking and Credit and Investments. The examination questions for the first two parts follow :

Part I of Questions for the Chartered Life Underwriter (C. L. U.) Examinations

(To be completed within four hours)

Life Insurance Fundamentals—

(A) Economics of Life Insurance

(Answer all questions)

1. Distinguish carefully between "saving" and "investment" including all consideration of investment, and confining yourself solely to "saving," present four distinct services of life insurance.

2. During the present depression it has been common to hear platform speakers to emphasize the view that "the fundamental purpose of life insurance after all is 'death protection' and it is more and more essential for the life insurance business to get back to that view." Do you agree? Discuss and give your reasons.

3. Many comparatively small business concerns are anxious to be financed with bond

issues of considerable duration, and are served in this respect by private bankers or investment houses :

(a) Explain why life insurance is serviceable in the better floatation of such bond issues.

(b) Describe briefly two plans of using life insurance in this particular respect.

(4) "A" age 35, inherited an estate of \$100,000, consisting of stocks and bonds, yielding \$5,000 annually. He also holds a salaried position giving him \$3,000 a year. Although able to pay for a considerable amount of life insurance, he is opposed to taking the same, and argues (i) that his family, consisting of a wife and two daughters, would be well taken care of in any case by the income derived from the investment estate, and (ii) that his death would not mean any real loss in that his earning capacity of \$3,000 merely represents the amount now currently expended for his own personal self maintenance. Show this man the error of his reasoning, presenting three specific reasons for life insurance, all of which constitute good economics in the field of life insurance. In your explanation present the programme which you would submit to this man.

5. Discuss fully life insurance as an investment from the following standpoints :

(a) Return on the investment as compared with other gilt-edged investments.

(b) Full title to a part realized, in the event of a desire to discontinue the instalment investment arrangement.

(c) Marketability.

(d) The possibility of speculative gain.

(B) Principles and Practices :

(Answer all questions)

1. (a) Define the insurance company's exact liability under a refund annuity.

(b) Enumerate (explaining each briefly) the advantages of the refund annuity as contrasted with other types of annuities.

(c) What groups of the population do you believe should be appealed to for this particular type of annuity, and why?

2. (a) During the present depression there has been considerable agitation in favour of lengthening the period, under the terms of the so-called "suicide clause," within which the beneficiary may not collect if the insured commit suicide. What are the conditions of the "suicide clause" as customarily used in life insurance policies? Enumerate (with sufficient explanation to make your meaning clear) the reasons which should be advanced against the proposed lengthening of the period.

(b) Where the insurance is participating, what reasons would you advance to the policyholder in favour of leaving all of his dividends with the insurance company.

3. The demand for cash surrender values and policy loans has been extraordinarily large during the present depression, and many argue that the recent moratorium, with respect to policyholders' claims for their cash and

loan values, is justified because of (i) the scientific procedure, and (ii) the fundamental investment principles upon which legal reserve life insurance is inherently based. Discuss this contention with special reference to each of the aforementioned two factors.

4. Contrast the limited instalment option of paying the proceeds of a life insurance policy with the certain and continuous instalment option. With respect to each of these two plans enumerate the various circumstances which justify use of the same.

5. (a) Distinguish fully between a "pure endowment" and a savings account for an equal period.

(b) From the following data show how you can calculate the annual level premium on a \$1,000 limited payment ten-year endowment insurance policy, issued at age 30, and paid for with five annual level premiums.

(In view of the limited time available, it is not desired that you make your multiplications, additions, and divisions. Merely indicate all answers by letters beginning with "A" and then follow continuously with "B," "C," etc. In your explanation show the method of computation for only the *first two years* and the *last two years*. The problem aims to ascertain the correctness of procedure and not actual results).

Section of American Experience Table of Mortality included on paper.

CURRENT TOPICS

Reserve Bank for India

Prof. Benoy Kumar Sarkar gave an interview to a representative of *Advance* on the Reserve Bank Scheme for India. Extracts from his statement are published below :

The principles of the Reserve Bank for India, as first proposed in 1928, appeared to me acceptable from the standpoint of purely banking considerations. There is nothing in the proposals of to-day which can dissuade one from accepting it provided one does not make too much of formal political considerations.

Unfortunately the items published to-day are so scrappy that it is difficult, except in a very general manner, to call attention to some of the prominent features.

THE AMERICAN SYSTEM

To begin with we should be quite clear in regard to the fact that although the new institution is to be called a Reserve Bank there is not much in common between the one proposed for India and its namesake in America, except only in so far as the principles underlying the cover for note circulation is concerned.

The American Federal Bank is a genuine Bank of Banks, because none but Banks can become members of the federal system ; whereas the Reserve Bank for India shares are not to be the exclusive monopoly of banking institutions. Private shareholders should appear to be preponderant, and since no individual shareholder can exercise more than ten votes, the emancipation of the institution from the authority of big capital is likely to be realised, at any rate, in theory.

Although economic India is a territory of vast

dimensions, the proposed Reserve Bank will, however, be more akin to the British, French and German institutions, since, by statute, there is no compulsion to derive their shares exclusively from banks as foundation members. The promoters and "proprietors" of the Indian as well as European Reserve Banks are thus not necessarily banks but business people and other holders of capital.

RELATION WITH BANKS

In regard to the relations between existing banks and the proposed Reserve Bank, it seems that, other circumstances remaining the same, arrangements with the Imperial Bank could not be different from what has been suggested. As for the other banks, the principle that they should maintain minimum balances with the Reserve Bank is quite in order. It has been observed by custom in England for a long time, in fact, this is the British tradition. The Reichs bank also has grown into a central station for the deposits of the German banking institutions, although not to the same extent as the Banque de France ; and of course, in America there is a statute which compels all member banks to contribute a certain percentage of their own capital to the capital stock of the reserved system.

All the same, not even in the United States and not of course in Germany, has it been possible to centralise the deposits and control the risks, because a very large number of banks in those countries lies outside the reserved system. Besides, many of these banks take part in industrial under-writing, which is very difficult to control as a matter of course.

DISCOUNTING PRIVILEGE

This problem is likely to acquire a special significance in India because the scheduled banks such as will have the privilege of having their papers discounted by the Reserve Bank are very few in number. There are no details forthcoming yet, but it is necessary to suggest that in each of the five areas businessmen should see to it that a good many of the joint stock banks, or loan offices or 'Nidhis' under purely Indian management, acquire this privilege.

We may recall that in the Bill of 1928 not more than four Indian Banks were to be accorded this privilege as against all the 22 foreign banks of those days. This is a point which is to be approached by us not only from the standpoint of Indianisation and political importance in commerce, but also in order that the business interests of Indian districts and rural areas can be safeguarded.

MUFUSSIL BANKS

It is reported that the criterion on which an institution is to have a place among scheduled banks has not yet been decided upon. It is desirable to attach more importance to deposits than to the paid-up capital in this regard. In this connection, something ought to be done also to link up the indigenous bankers of the mufussil with the entire reserved system by establishing some legal contact between them and the leading institutions in each area.

The principle of 20 p. c. cover proposed should appear rather revolutionary, because the latest principle in the system of proportional cover, as embodied in the leading Central Banks of the Continent and America, was between 30 and 40 p. c. but that is quite in keeping with the current tendencies with regard to the gold-silver problem that has influenced world economy during the crisis. The reduction of gold cover and utilisation of silver, both for purposes of cover as well as for currency, should appear to be some of the measures calculated to raise the prices and

facilitate the rehabilitation of exports and imports on the pre-depression level.

INDIA AND EMPIRE ECONOMY

It seems to me that our businessmen need not contest this Bill, although it is being thrust upon us rather too hastily. It is clear, at any rate, that the question of ratio remains unaffected so far as India and Great Britain are concerned; since on account of the Ottawa imperial preference, India has become a part of Empire economy, the Indian economic conditions are not likely to be adversely influenced from the side of the extra-Empire business relations. Of course, when the federal structure begins to function, it may be necessary to introduce certain changes in the administrative machinery without, in any way, affecting the principles.

From the standpoint of agriculture, it is worth while to observe that the Government ought to get certain concessions from the Reserve Bank in the manner of the French Government from the Banque de France, so that it may be possible to help forward the Co-operative Societies with substantial grants and loans at favourable rates.

Thus considered, the question of the Directorate deserves more than a passing notice. It is not enough to say that 8 directors will represent the shareholders. We should rather stress the point that a substantial portion of the Directorate should represent the agricultural interests.

Germany's Teeth

Uberssee-Post has published the following account regarding Germany's exports of artificial teeth :

Germany's foreign trade in artificial teeth, whether in the form of separate teeth or complete dentures, is most important. In comparison with the pre-war period, a radical change is to be noted, because an appreciable export surplus has been achieved in the last few years, in contrast with the time before 1913 when imports were higher than exports.

In 1913, Germany, imported 90 quintals, for example, valued at Mks. 1,996,000 while exporting 71 quintals worth Mks. 1,185,000. Ever since the the war, the import trade has been falling from year to year until in 1932 it amounted to no more 21½ quintals for Mks. 512,000. On the other hand, the export trade continued to improve until 1929 when it reached its highest level with 204 quintals at Mks. 4,460,000. Although the international economic crisis was felt in this branch as well, 106 quintals worth Mks. 2,373,000 were sent abroad over the frontiers. The foreign trade for the period under review has developed in the following manner:

Year	Import (value in units of Mks. 1,000)		Export	
	quintals	Mks.	quintals	Mks.
1913	90,71	1,996	71,71	1,185
1928	85,57	1,262	186,16	3,687
1929	75,83	1,139	203,66	4,460
1930	59,99	848	195,18	4,369
1931	12,45	773	153,55	2,764
1932	21,55	542	106,68	2,373
Jan-March				
1932	5,91	183	25,79	592
Jan-March				
1933	4,12	134	21,26	507

The Indian Railways Act Amendment Bill

Mr. S. K. Banerjee writes :

In August last year a small innocent-looking Bill consisting of only 28 words, was introduced in the Legislative Assembly. So far back as December 1930, the Associated Chambers of Commerce of India and Ceylon passed a Resolution asking the Government "to take such steps as may be necessary to amend the Indian Railways Act in order to permit both State and Company-managed Railways to own and operate motor and/or air-services, as subsidiary services to existing railway systems, without any restriction in regard to carrying passengers or goods 'carried or to be carried on the railways.'" On the 12th August 1932 the Agents and Managing Agents of Branch Line Railways in

India, addressed a letter to the Chief Commissioners, Railway Board, Simla, complaining about the "serious decline of traffic and decrease in earning which has already occurred and was growing worse and which (in their opinion) was to a considerable extent attributable to competition from motor vehicles plying on adjacent or short-circuiting roads." And on the 25th August, 1932, the Member for Commerce and Railways introduced the above Bill which, to quote from the statement of Objects and Reasons, was meant "to make it clear that the Railway Companies "referred to in Sec. 51 may own and operate *unconditionally* road motor services for the carriage of "traffic in areas served by their railways." On the 11th September, 1932, the Commerce and Railways Member moved that "the Bill be taken into consideration." But on the motion of Mr. M. Maswood Ahmad, M. L. A., the Bill was ordered to be circulated for the purpose of eliciting opinion thereon by the 2nd January, 1933.

The Bill was subsequently referred to a Select Committee and the Select Committee submitted their Report on the 22nd March, 1933.

Though the Select Committee have entirely *reverted* the one substantive clause of the Bill, they have not altered its main principle. And this Bill will be taken into consideration by the Legislative Assembly at its coming session which is to commence from the 22nd of this month (August).

Now, if the Bill is passed into Law the immediate effect would be that the Railways with their enormous financial backing will very easily crush the private bus and lorry owners out of existence. And then the Railways will become, to all intents and purposes, monopolists, and monopolies are admittedly always objectionable. The public will have to pay more as fares and freights so the most important point which emerges from the proposal to allow railways to operate motor services is the interference in private enterprise in motor transport. The Government of India (which by the very nature of its present condition can by no stretch of imagination be identified with the people of India) are committed in the State Railway

system to one form of state monopoly but that does not justify its extension to another—especially when such monopoly would adversely affect a large body of the public. And the Treasury will have to find money for the operation from the public on loan. It has been computed that about 19 crores of private capital has been invested in the purchase of motor cars alone and over 8 lacs of people are engaged in it. So it may be fairly assumed that about 40 lacs of persons depend on this industry for their daily bread. The question of unemployment is already looming large in public view and what the ultimate effect of this monopoly by railways would be, had better be left to imagination. Again, there is absolutely no reason why the public should be deprived of private motor transport services which can meet the public needs much better in several spheres than can a railway. It is also questionable whether any public benefit will result railways launching into a campaign of competition which must involve unfruitful expenditure of public money in wasteful competition. Besides the above there is one very valid reason as to why the present Bill should be dropped altogether. The whole question of the Government's policy regarding transport and communications is in the melting pot and to proceed with the present measure would be sheer waste of time and money.

The working Committee of the All-India Road and Railway Conference has already drawn the attention of members of the Legislative Assembly to move the Government of India to withdraw the Bill or at least to postpone its consideration till the winter session so that the public will have time to consider the subject with all the developments

since the introduction of the Bill in September 1932.

Automatic Switch

We gather from the *Calcutta Municipal Gazette* that the Chief Executive Officer of the Corporation of Calcutta, has recommended a suitable reward by way of encouragement to Mr. S. C. Roy Chowdhury, electric inspector of the Lighting Department, for designing and manufacturing an automatic switch to light and extinguish electric street lamps. The Public Utilities and Markets Standing Committee expressed a desire some time ago that the Lighting Department should make an experiment to light and extinguish some of the lamps automatically. Such automatic switches not being available in India, Mr. Roy Chowdhury began experiments with a view to designing and manufacturing electric time switches, utilising the clock-work of gas controllers lying unused in the Corporation's Central Stores. His efforts were soon crowned with success. The design he has made is very simple, ingenious and novel of its kind, and at the same time the cost of manufacture is nominal. These have been manufactured in the Lighting Department Workshop and are now in use in some of the streets and institutions. Mr. Roy Chowdhury has also designed a new type of reflectors and superheaters, which would give more illumination with less cost.

Calcutta College of Insurance

The opening ceremony of the Calcutta College of Insurance was performed on Tuesday, the 8th August, 1933, by Mr. Santosh Kumar Basu, Mayor of Calcutta, before a large gathering representing all public organisations and institutions of the City. The function was brilliantly performed amidst enlivened environments.

Before proceeding to give an account of the deliberations of the meeting, it would be appropriate to put in a few words about the origin of this institution. In the year 1930, Dr. S. C. Roy, Life Branch Manager of the New India Assurance Co., Ltd. at Calcutta, took it into his head that some arrangements should be made for imparting general instructions on insurance matters to the entrants into the profession. With this purpose in view, he organised the Insurance Education Society in collaboration with Mr. J. N. Basu, M.L.C., as the President of the Society, and Mr. D. P. Khaitan and Mr. H. K. Sarker as the Chairman and the Secretary respectively of the Governing Body of the proposed College. They proposed to start the College immediately, but at the request of friends, the sponsors of the Society readily agreed to co-operate with the Indian Insurance Institute in order to fulfil the objects of the Education Society. Arrangements for periodical lectures were made by the joint efforts of the Institute and the Society which the public were invited to attend. But this arrangement failed to work after some time. In the summer of 1932, Dr. S. C. Roy wanted to reorganise the Society on commercial lines,

for he and his co-workers realised that the institution could not work under the existing



Mr. S. K. Basu

conditions. But before he could seriously take up the work of reorganisation he had to leave India on a continental tour. After returning to Calcutta, it had been his earnest endeavour to establish a college where proper insurance training could be given as early as possible. The purpose of starting the college immediately was for the first time clearly stated by him before the Second Session of the Indian Insurance Agents' Conference held in Calcutta in the month of April, 1933. Since that time, the organisers were able to enlist the sympathy and co-operation of all leading men in Indian Insurance, and most of the companies promised them their ungrudging help and encouragement. On the strength of these assurances the organisers decided to start the College which was formally opened on the 8th instant. Among those who helped the organisers of this institution very much from the early stages,

may be mentioned Mr. K. N. Sen (Late of Sun Life), Mr. Ashoke Chatterjee, Mr. M. Moulik, Mr. B. Biswas, Mr. S. P. Basu, Mr. A. T. Banerjee and Mr. S. C. Majumdar.

Now, to come to the opening ceremony, Mr. J. N. Basu at the outset related the aims and objects of the College and pointed out to the gentlemen present the progress that had so far been made. He then proposed Mr. S. K. Basu, the Mayor, to the Chair, which was seconded by Mr. D. P. Khaitan. After this, the Mayor moved to the Chair and was garlanded. Mr. K. N. Sen then delivered his inaugural address which is as follows :

I offer you all my grateful thanks for inviting me to-day to deliver the inaugural address on the occasion of opening this



Mr. J. N. Basu

Insurance College. I am indeed proud of the unique honour you have shown me.

I would not take up much of your time in eulogising life assurance. It is now recognised all the world over to be the highest beneficial institution civilisation could evolve, and it knows no substitute. The number of Indian Companies now working bear testimony to the fact that we in India have seriously taken to this business, but "so little is the work done compared to the vast undone" that the potentialities of the institution of life insurance towards the building up of a nation are but dimly perceived here. In countries, where life assurance has developed to its full stature, its contribution towards the physical, social and economic uplift of a nation has been remarkable. An actual investigation by actuaries has revealed, that the average boy of 12 years of age is now 10 lbs. heavier and about an inch taller than the average boy of that age, 50 years back. Another investigation has shown that the improvements in children between the ages of 10 and 15 result in longer life and better health after age 55. Medical science has received no inconsiderable help from such investigations. It would be as much a matter of personal gratification to you to know that you can insure to-day at about 20 per cent less premium than 50 years ago as one of social gratification that such betterment in health has been achieved by human efforts.

The economic uplift has also been remarkable. More people taking out life insurance means that widows were better able to take care of their children, educate and clothe them—healthy and educated citizens,—who would, otherwise, have been doomed to insufficient nourishment, bare nudity and illiteracy.

And I could thus go on for hours enumerating the thousand and one benefits in multifarious forms, that have been derived by these nations due to the conservation of man-power and saving of waste. But that should be the matter of a separate lecture.

Suffice it to say here that the dreams of philanthropists are on the way to realisation through efforts of commercial institutions, conducted on proper lines.

I use the words "conducted on proper lines" purposely, and I would particularly recommend you to take them in their full significance. A failure to recognise this as an essential condition would turn our dream of the millenium, that is to come, into a hideous nightmare. The history of life assurance in England furnishes in illustration of that I say and it would not be out of place to mention it here. Acts were passed in 1774 and 1862 to prevent the corrupt practices indulged in by the then English Offices.



Mr. D. P. Khaitan

Speaking about these companies Mr. Gladstone remarked: "their proceedings are worse than wholesale robbery in which there are many persons who have never seen the inside of a jail and yet who had better be there than many a rogue that have been convicted ten times over in the Old Bailey." The tragic irony, however, lay in the fact that the passing of these two Acts gave an impetus to the birth of mushroom companies. 272 companies came into being within the years 1844 to 1869, out of which only 29 survived in 1880. I should mention,

here, that America was not free from similar corruptions, to a lesser degree, it might be, and in both the countries Government had to interfere but not before thousands of families were absolutely ruined. Even Government interference was powerless to cope with the corruptions and swindling that prevailed and not until the public were sufficiently educated on the subject of life assurance did the scandals cease.

This work of educating the public was undertaken by the great American Elizur Wright, whose name is associated with the abolition of slave trade. The cause of the policyholders called for the same sympathies, the same sacrifices of expediency to conviction as fight for the slaves. Wright was a mathematical genius and in him moral enthusiasm and actuarial science blended. He took a solemn vow to save his country from the humiliation he witnessed in England and devoted his whole life to this end. The persecutions and humiliations that Wright had to suffer for the cause so dear to his heart, would make a story in itself but I should not take your time unnecessarily. I would conclude this history by saying that the growth of knowledge amongst the public, the denunciations by men like Mr. Gladstone, the super-human efforts and sacrifices of Wright, and the birth of scientific associations like the Institute of Actuaries raised the conducting of the business on a basis, which the present day civilization is proud of.

Looking to India we are now witnessing the birth of a new era in insurance. New companies are being started all over the country with elaborate offices and high-sounding prospectuses. To my mind, there is something very alarming at this stage. We have no Elizur Wright in India, nor is our ignorance in any subject so colossal as that in insurance. Have we got the requisite men in India to guide so many concerns of a nature, whose working depends only on a knowledge of facts, accurately determined by experts? Unless the new companies are

conducted on proper and scientific lines, the result will be more disastrous than we can imagine. It will be a national calamity, setting back India's progress by decades.

I hope I will not be misunderstood as a carping critic of the recent growth of life insurance in India. My object is to lay emphasis on the great need of running the business on proper lines, if we are not to see a repetition of the scandals that were in vogue in England and America. I have been connected with the Sun Life of Canada,



Dr. S. C. Roy

one of the most progressive companies of the world, over 28 years, and as I had been through the mill, I had opportunities to learn, which few Indians had, and yet when my thirst to know things beyond the office was roused, I had to obtain books from America

and England and felt very keenly the want of opportunities, books and men, who could teach students anxious to learn. I never missed an opportunity to meet foreign experts to get as much information out of them as possible. As years rolled by, I realised more and more the vastness of the subject, its intricacies, its usefulness in the making of a nation, politically, economically and socially, and its vaster possibilities. When, therefore, people approached me, who have started companies here or are about to start insurance companies seeking my assistance and advice, I have been amazed frequently to find their ignorance, and sometimes I sank in despair as some of them would not even admit that there was much to learn and asserted that they would pick up things as they grew.

This College, therefore, has not been started a day too soon.

It should be the first aim of this College to bring together all available information relating to the science and practice of the business of insurance. Speaking from personal knowledge, I would warn the authorities that they would find it no easy task.

Further, the ambition of this College should be to turn out well-informed agents, secretaries, instructors, office assistants as well as managers. In doing this, the College would directly help the cause of Indian insurance as the services of these trained men would be available to those companies, who want to run on sound lines.

In this work, I hope that the enthusiasts, who have started the College, will not allow any other influence to weigh with them but that of education. Party politics, outside influence, prejudices of caste and colour, sect or creed, narrow views of provincialism or nationalism should not find a way into the sacred precincts where truth and truth only is sought. If these ideals are kept in view, I have no doubt that this College will, in time, grow up to a centre of learning, round which will gather scholars, who would

dedicate their lives to the noble work of finding out newer and newer truths and applying them to the needs of the country. It will serve a beacon light to all insurance workers and will kindle the fire which is to dispel the darkness of ignorance and superstition.

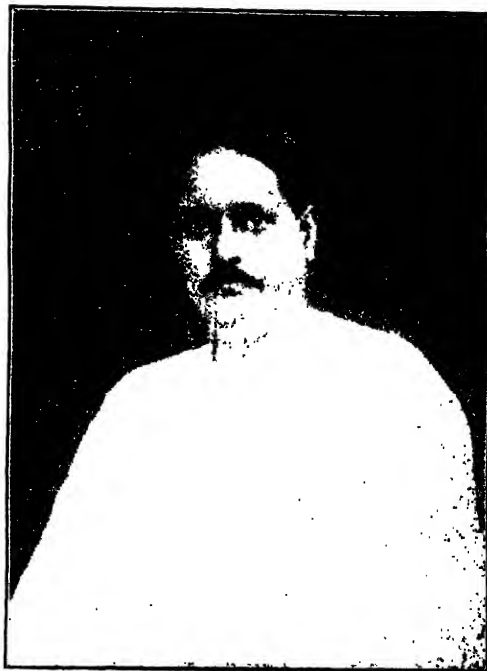
At the conclusion of Mr. Sen's speech, the Mayor rose amidst loud applause to declare the College open. In the course of his speech, Mr. Santosh Kumar Basu said :

"I am extremely grateful for the honour you have done me by electing me to preside over to-day's function, and particular felicitations were showered on me by Mr. Basu and Mr. Khaitan who have proposed that I should take the Chair. It has given me the greatest pleasure to come here on this occasion and associate myself with the institution which for the first time will be declared open this evening and which will now start on its career of useful activities for the benefit not only of the organisers and students themselves but of the country in general.

"I am absolutely certain that every one of you present here this evening feel that an institution of this character was long overdue in the soil of Bengal, nay, in India. The whole of India is now insurance-minded. The ground which has been prepared by the various foreign companies operating in this country is certainly valuable from that point of view. In this country insurance companies of strengthened position, reliable soundness have been established. It is indeed a matter of sincere congratulation to those pioneers among our countrymen who had succeeded in building up institutions of this nature which will do honour not only to themselves but also to our countrymen in general.

"Insurance is useful from the individual as well as the national point of view. I don't wish to dilate upon this subject before a gathering of this character, but I am sure that the enormous resources of the insurance companies may be pooled together in times of difficulty and danger for employment in national

organisations and enterprises which stand in need of finance. Connected as I am with one of the greatest organisations in the country, I feel that this insurance can go a long way to supply that power of wealth to organisation which will prove mutually beneficial.



Mr. H. K. Sarker

"Whatever little I have been able to insure for, I have insured with indigenous companies alone, and if ever I go in for further insurance I shall insure with none but indigenous concerns."

"For these reasons I have come to associate myself with the aims and objects of this institution. May the blessings of the Almighty shower upon this institution, and on behalf of the citizens of Calcutta, I am glad to declare the College open."

Mr. Sachindra Prasad Basu proposed a vote of thanks to the Chair, and the meeting came to a close.

Dr. S. C. Roy, General Secretary, and Mr. H. K. Sarker, Secretary to the Governing Body, were all attention to the guests. Among those present were :

Prof. Benoy Kumar Sarkar, Prof. Abdulrahim, Prof. Jitesh Guha, Capt. N. N. Dutta, Dr. Sukumar Ranjan Das, Dr. Kanai Lal Ganguly, Mrs. Kumudini Basu, Mrs. Mrinalini Sen, Miss Sen, Mr. H. F. Lewis, Sjs. Mrinal Kanti Bose, Bidhu Bhusan Sen Gupta,

Kishoree Mohun Banerjee, Jatindra Nath Bhattacharjee, Dr. M. M. Roy, Prof. L. A. Natesan, Dr. Kalidas Nag, Messrs. J. C. Sen, J. C. Das, S. S. Nazir, S. N. Das-Gupta, J. N. Ghosh, G. M. Sanyal, N. M. Roy Choudhury, S. P. Basu, U. N. Banerjee, C. H. Mukherjee, U. N. Sen, A. T. Banerjee, A. B. Basu, H. Ghosh, M. Moulik, S. B. Roy Choudhury, B. N. Sen, K. K. Nandi, K. N. Das, P. R. Gupta, H. L. Mukherjee, and others.



COMPANY NOTES

Indian Mercantile Insurance Company, Limited

The first decade of the twentieth century opened a new epoch in the industrial and commercial renaissance of Young India. At this time not only the indigenous industrial enterprises were established and given encouragement and support by the countrymen but also national chambers of commerce were established at important business places in the country.

The Indian Mercantile Insurance Company, Ltd. of Bombay owes its origin to such a period in the history of our economic progress. The Company was started in 1907 with an authorised capital of Rs. 50,00,000 in order to underwrite fire business alone. The Company has celebrated this year its Jubilee of 25 years' service in the field of insurance, and during this quarter of a century has advanced on the path of progress by gradual and steady steps.

The Company's achievement of progress is remarkable. In the very first year, the Company made a profit of Rs. 60,000 and a reserve fund of Rs. 35,000 was established. During the first five years the reserve fund was raised to Rs. 1,47,000 and during each of the five years the Company paid dividends at rates varying between 5 per cent and 7½ per cent. The Company also met without any difficulty two big claims in 1913 amounting to Rs. 1, 16,500. A series

of fire claims followed and the Company settled them with conspicuous promptness. The following statistical abstract will show the progress of the Company :

Year	Premium Income	Losses Paid	Reserve
	Rs.	Rs.	Rs.
1908	71,821	11,108	35,000
1913	76,899	1,16,582	1,47,000
1919	93,450	21,609	2,94,121
1924	1,02,257	18,241	5,15,000
1928	1,08,498	46,019	6,60,000
1931	1,67,526	20,150	7,53,000

Thus it will be seen that the Company has established a wide organisation and ample reputation in the field of Indian insurance especially in respect of fire business through the efficient and continuous efforts of its able Directors and Management with Sir Munnohundas Ramji, J. C. the Founder-Chairman of the Company at the head.

With such rich experience, varied resources and dependable finance at the back, the Company has started its Life Department in April, 1933. We have every reason to believe that the Company's operations in the life department will be attended with still greater success than that known in its original branch.

THE INSURANCE AND FINANCE REVIEW FOR AUGUST, 1933

In its Life Department the Company offers several attractive plans of assurance, designed to meet individual requirements at rates of premiums which will suit every pocket. Special Revival Scheme, Automatic Protection from Forfeiture after 2 years, Concession Rates for policies for charitable purposes, Joint Life Assurance, and Extended Assurance are some of the special features of this Company. We have no hesitation in recommending this Company to the public as one of the dependable offices for life assurance.

The Industrial and Prudential Assurance Company, Limited.

The Industrial and Prudential Assurance Company, Limited with its head office in Bombay is one of those progressive companies which are fast forging ahead both in matters of increased business and able management of affairs. The Annual Report and Balance Sheet of the Company for the year ending 31st December 1932 has just been sent to us and it shows a year of marked progress. In the ordinary branch of the Company 3,150 proposals were received for assurance amounting to Rs. 65,79,000 out of which 3,788 proposals have resulted into policies assuring in aggregate the sum of Rs. 52,04,750 as against Rs. 50,34,000 of the last year and the rest are either declined, postponed or are awaiting completion.

The total number of policies in force on the books of Company is 10,679 assuring in all the sum of Rs. 2,23,21,995-6-0 and £500 out of which Rs. 5,81,583-5-0 have been reinsured.

From the Revenue account of the Company it is found that the Life Assurance Fund has increased from Rs. 29,25,962-3-9 to Rs. 37,27,298-7-9. Besides this fund there is

a Reserve fund of Rs. 1,06,866-6-2 and a special Investment Reserve Fund amounting to Rs. 40,000. The investments of the Company in securities are shown at cost. The market value of these securities has appreciated considerably since the last Report and on 31-12-32 stood at Rs. 37,11,145 as against Rs. 35,68,598 the cost price. It has, therefore, been found that the Investment Reserve Fund is not needed now in full. So the Directors have found it possible to transfer a portion of this Fund to the Life Assurance Fund leaving a balance of Rs. 40,000 in the Investment Reserve Fund. The Directors of the Company have recommended a dividend of 6¼ per cent for the year ending 31st December, 1932.

As is evident from the above resume of its work for the year under review, the Industrial and Prudential is well on the way of progress and its management is marked with caution and economy—virtues which are not often the distinction of many in the world of Indian insurance. If the present rate of progress is maintained and the same watchfulness and devotion to scientific rules of business is adhered to, we can well foresee a yet brighter future for this excellent Company.

Prabhat Insurance Company, Limited

The Prabhat Insurance Company, Limited was established at Bombay in the year 1928 with the purposes of popularising Indian insurance, and providing facilities for cheap insurance to the masses. The Company commenced business at a time when the approaching dislocation of world trade and commerce had almost set in. As a consequence the experience of the Company during the very early years of its existence has been full of surprises. Still, the Company

can congratulate itself on its having tided over the situation with much credit and skill at the present time, although the effects of the depression are still influencing the income of individuals and corporations.

The Board of Directors of the Company is composed of influential businessmen of Bombay and the management is entrusted with Messrs. Parakram and Co. Mr. B. L. Thosar, the *ex-officio* Director and partner of the Managers has been responsible for many

a notable improvement in the affairs of the Company.

The Company offers all the up-to-date schemes and privileges to its policyholders. Room for the voice of the policyholders in the management of the Company has been provided for in the constitution.

Mr. D. N. Ray, B. A., has joined the Calcutta Branch of the Company as Secretary. We wish the Company every success.

JOTTINGS

Nip the lapsable business in the bud and blossom out with new stuff.

* * *

We may slide by an obligation, but it will eventually trip us up at an unexpected amount.

* * *

So long as we have the courage to present a bold front, the obstacle will present small difficulty.

* * *

Appoint in haste and cancelments follow.

* * *



NOTES AND GLEANINGS OF THE MONTH

Indo-Japanese Trade Negotiations in Progress

A *communiqué* issued by the Government of India reports that in the forthcoming negotiations between the Governments of India and Japan, the former will be represented by Sir Joseph Bhore and Sir Frank Noyce and the latter by Mr. Setsudo Sawada, Envoy Extraordinary and Minister Plenipotentiary and Mr. Susumu Terao, Director of the Overseas Trade Division of the Japanese Department of Commerce and Industries.

Mr. Sawada was head of the Japanese Bureau of the League of Nations until Japan withdrew from the League and bears the official title already mentioned though at present he is not posted in any foreign country.

It is not yet known whether the Japanese business community will send delegates or advisers to the conference but it is officially announced that the two Government Emissaries will sail from Kobe in the s. s. *Hakusan Maru* on August 24.

The extent of fear in India of Japanese trade competition is well illustrated by the length of the list of industries which have applied for benefit against Japan under the Safeguarding of Industries Act, 1933. The Act has been in force for five months but cannot operate against Japan individually before the expiry of the six months' notice of denunciation of the Indo-Japanese Trade Convention, that is, on October 10.

Between 35 and 40 industries meanwhile

have urged their claims to special protection against Japanese imports. They include :

Cotton textiles, silk, artificial silk, piece-goods, cotton braid, woollen goods, cement, rubber-ware wire, nails, beer, glass, hosiery, handkerchiefs, lamp wicks, pencils, leather, leather goods, wood screws, strawboards, paints, umbrellas, mother of pearls, sugar-candy paper, steel and cast iron pipes, playing cards, vegetable oils, hurricane lanterns, school slates, soap, bobbins, chemicals, litho-printing, earthenware and porcelain ware.

It should be noted that the Safeguarding of Industries Act is designed only to protect industries against abnormal handicaps accruing from temporary or exceptional circumstances obtaining in the country of origin of the competitive imports. It does not necessarily debar its beneficiary industries from substantive protection also if the industry fulfils the conditions prescribed by the Fiscal Commission and an industry enjoying substantive protection can still seek additional safeguards under the Act.

Swadeshi Exhibition in Calcutta

Calcutta will have another grand Swadeshi Exhibition this September which will be located in the Wellington Square. Exhibits regarding the following subjects will be displayed :—

a—Industries :—

- (1) Khadi
- (2) Spinning and Weaving

- (3) Perfumeries
- (4) Medicines and Chemicals
- (5) Sweets and Confectioneries
- (6) Enamel, Aluminium and Glass products
- (7) Paints, Varnishes
- (8) Cutleries
- (9) Electric bulbs and Gramophone Records, etc.

b—Education

c—Commerce and Trade

d—Agriculture

e—Banking and Insurance

f—Handicrafts (by ladies)

g—Picture Gallery

h—Health and Sanitation

i—Amusements, etc.

Mr. Santosh Kumar Basu, Mayor of Calcutta, has been elected President of the Exhibition. Capt. N. N. Dutt is the General Secretary. Each department of the Exhibition will be in charge of a Secretary. Dr. S. C. Roy has been elected Secretary of the Banking and Insurance Section, Mr. N. C. Sen of the Agriculture section, Sj. B. N. Bhadra of the Health section, Sj. S. N. Neogi of the Shops section and so on. We hope every Swadeshi industrial and commercial organisation will lend its help and co-operation to the organisers of this Exhibition in order to make it a success. Our Insurance companies should not waste away this opportunity of presenting their worth and usefulness before the wider public. This is a great opportunity to be availed of by those who have to depend upon publicity to a great extent.

Co-operative Housing in Hyderabad

The provision of housing facilities for non-gazetted employees in His Exalted Highness the Nizam's service is receiving the

attention of the co-operative department and a scheme on a co-operative credit basis, it is understood, has been drawn up. According to this, each such employee will be entitled to a loan from the co-operative department equivalent to his salary for twenty months. The conditions attached to the loan are that the employees must be residents of Hyderabad city and that 20 per cent. of the borrowed sum should be invested in the shares of the State Co-operative Credit Society. The balance of the sum will then be available for building cottages under the supervision of government, according to each one's means, on a plot of ground set apart for the purpose near the Nampalli Railway station. The whole amount of the loan is to be repaid in easy instalments, spread over fifteen years.

Amendment of Income Tax Rules

The draft of a further amendment to Indian Income-tax Rules, 1922, which the Central Board of Revenue proposes to make, has been published in the *Gazette of India* for the information of all persons likely to be affected by them and a notice is given that the draft will be taken into consideration on or before August 31 next. Any objection or suggestion, which may be received in respect of the draft before the date specified, will be considered by the Board. The draft amendment relates to rule 35 of the income-tax rules and runs thus: The following shall be added, namely, "for the purpose of this rule, in the case of non-resident like assurance companies whose profits are periodically ascertained by actuarial valuation, the total income, profits or gains, shall be computed in the same manner as is prescribed in rule 25 for the computation of income,

profits or gains of the life assurance companies incorporated in British India."

Life Assurance in Japan

According to figures published by the Japan Life Insurance Society, the life assurance in force on the books of 38 of the leading Japanese companies on December 31st, 1932, totalled Y. 8,795,523,000, the total number of policies being 6,773,974.

New business written by these 38 companies during 1932 amounted to Y. 1,596,282,000, the number of new policies written being 1,028,143.

The assurance in force as at December 31st, 1932 was divided as follows :

	Policies.	Amounts.
Death benefits	5,450,000	Y. 7,908,000,000
Term insurance	243,000	" 209,000,000
Military conscription insurance	1,080,000	677,000,000

As regards the "Conscription" insurance, this form of business is written by four companies, the main feature being to bring about maturity of the life assurance contract at the age when the assured is due to enter military service for the term prescribed by law. From 1919 to 1930 there was a progressive increase in the volume of such business ; the assurances in force in 1919 being stated to be Y. 99,321,000 (with an average per policy of Y. 220), rising to a total of Y. 580,370,000 in 1930 (with an average amount per policy of Y. 571).

Since 1930, according to Japanese insurance reports, the conscription contracts have declined in popularity, and the tendency has been to effect ordinary life policies.

Life Assurance in Canada

The report of the Superintendent of Insurance for the Dominion of Canada for

the year 1932 shows that at the close of the year the life assurance in force totalled \$6,471,588,455, as compared with \$6,622,267,793 the year before a decrease of \$150,679,338.

The net amount of business issued and paid for during 1932 totalled \$654,425,266. Of this \$16,590,259 represented "group" business. The corresponding total in the previous year was \$782,716,064, of which \$38,433,384 was on "group" lines.

The amount of new business lapsed during the year was \$111,222,211 ; or 55.19 per cent of the gross new business written ; as against \$408,714,188 (or 45.91 per cent) in 1931.

Surrenders in 1932 totalled \$364,285,951, or 18.90 per cent of the gross new business written : comparing with \$245,985,875 (or 27.63 per cent) in the previous year.

The combined totals of lapses and surrenders last year were thus \$775,508,162, or 101 per cent of the gross new business written. In 1931 the combined figures were \$654,700,063, or 73.54 per cent of the business written during the year.

The Ning-Po of Shanghai

The lucrative fire insurance business in China has so long been taken care of by British interests very largely. Several Chinese bankers and businessmen took into their heads the necessity of establishing an indigenous concern for underwriting the fire business of the country and have accordingly opened a new insurance company, called the "Ning-Po Insurance Company of Shanghai," with a capital of \$1,000,000, which is to take up fire and transport insurance. That the business is profitable seems to be beyond a shade of doubt. But how profitable it is

can hardly be laid down in cold figures as the Chinese companies do not publish any reports on the subject. The only indication we have is the great diligence with which British companies have devoted themselves for many years to the Chinese fire insurance business.

New York Life Insurance Company

The New York Life has been prominent in the public eye not only as having for its director an ex-President of the United States, in the person of Calvin Coolidge, but also as the insurer of the lives of half a dozen Presidents of that country. They are James A. Garfield, Benjamin Harrison, William McKinley, Theodore Roosevelt, Warren G. Harding and Calvin Coolidge.

Mr. L. S. Vaidyanathan

We are glad to note that Mr. L. S. Vaidyanathan, M.A., F. I. A., Assistant



Mr. Vaidyanathan

Actuary to the Oriental Government Security Life Assurance Company Ltd. has been lifted to the rank of the Deputy Actuary at the Company's Head Office. We extended to Mr. Vaidyanathan our hearty congratulations on his promotion and wish him a still glorious future.

The Oldest Life Policy in Force

The New York Life reports that its oldest policy in force was written in 1862 and in consequence, it has been for over 70 years offering protection to Guilford Dudley of Poughkeepsie, N. Y. Mr. Dudley is now 89 years of age. It would be interesting to obtain the statistical experience of Mr. Dudley's policy. Without a doubt he has already received more than the policy calls for. There are, in addition, 11 policies in force in the Company written prior to 1871. The oldest policyholder of these 11 is 94 years. Oddly enough, he also hails from Poughkeepsie.

Insurance Offices Closed

As a mark of respect to the revered memory of Late Deshapriya Jatindra Mohan Sen Gupta, the offices of the *Insurance and Finance Review* and *Clive Street* remained closed on the 24th July last on which date his mortal remains were brought down to Calcutta from Ranchi. The names of the local insurance offices which also remained closed on that occasion are as follows: Oriental, Hindusthan, Bharat, Empire, New India, Bombay Life, Bombay Mutual, Manufacturers, Modern India, National, Indian Mutual, Great India, Jupiter General, Ideal Democratic, Industrial and Prudential, United India, United Assurance, General, Bengal Insurance, Unique, United Bengal, India Provident, etc.

Mr. S. C. Majumdar

Mr. S. C. Majumdar has joined the Bombay Branch of the Hindusthan Co-operative Insurance Society Ltd as Manager. Immediately after his joining office, he met the workers and organisers of the Society at a tea party on the 30th July last. He

delivered a brilliant speech on the occasion, in the course of which he said :

Life insurance creates a wall of protection against the certainty of death and moderates the evils of speculating investment. A good life office worth its name minimises if not entirely obviates the evils of the former and certainly offers the safest if not the most profitable business avenue. Most of you probably do not realise that you are conferring upon the public a great social service by offering life insurance to them. Imagine how many families would have been destituted had there been no life insurance to make up for the losses that otherwise would have been irreparable. Widows without a home or livelihood, children without education, old parents without anything to lean upon in their age and helplessness. A moment's calm and honest reflection will bring home the undeniable fact that a life insurance agent who persuades a man of the family to effect a policy is really an angel of mercy. Unfortunately, this is not exactly the view that is taken by the public here to-day. An agent is thought of as a pest. There are reasons. The ignorance of the public and I am sorry to say something on the part of the agents too. It is upto you, gentlemen, to make your profession more respected by the public. To my mind the reasons which have led the members of the public to think disrespectfully about you or rather about life insurance agents in general is that the average life insurance agent in India is too anxious to have a life underwritten, but he does not care to give the services that should be offered by the Life Insurance office after they have got the case. In fact, a life insurance agent should be regarded by the public as a guide, philosopher and friend and a life insurance agent should also make himself one such by offering all possible services that are in his power. Let him regard himself as a social worker who has dedicated all his energies to the welfare of the Society along with his own and I believe if this spirit is inculcated among the workers, within a short time the public in India will change wholesale their attitude towards the average life insurance worker.

International Wine and Beer Consumption

The English and Norwegian Governments have co-operated in drawing up comparative statistics of the consumption of wine and beer. Their investigations were based on official information which embraced 28 countries. The amount of wine consumed

per head of population expressed in quarts is as follows : France 145, Italy 92, Spain 88, Switzerland 45, Greece 36, Hungary 32, Bulgaria 22, Roumania and Austria 15 quarts each, while Germany remains under the 10 quarts limit.

With reference to beer, the most per head of population is consumed in Belgium with 185 quarts, then come Great Britain with 77, Austria 72, Germany 68, Czecho-Slovakia and Denmark 62 each, Australia 51, Switzerland 46, France and Ireland 12 each, Sweden 38, Holland and Norway 25 quarts each, and Argentina and Canada with 19 quarts each.

Miss Satyavati Khosla

Miss Satyavati Khosla, an active agent of the New India Assurance Company at Delhi, has completed within a year business to the extent of two lakhs of rupees. This is supposed to be a record for an Indian lady insurance agent. Our congratulations to Miss Khosla.

Star of India Insurance Co., Ltd

We are glad to note that Messrs. Enterprising Union, Chief Agents of the above Company for Bengal and Assam have underwritten a considerable amount of business during the half year ending July, 1933. Mr. S. P. Purkayastha who went to Karimganj recently on tour was entertained at a meeting by the workers and agents of the Company there. Mr. N. N. Day, B.A. and Messrs. Roy and Choudhury were responsible for the success of the function.

A Farewell Party

On the eve of his departure for Rajshahi as an Organiser of the "Lakshmi" Mr. Girija Bhattacharjee was entertained at a tea party by his friends and admirers at Mymensingh on the 13th July last. It was a very pleasant function and among those present were : Messrs. S. Dutt (Forward), S. Aich, B. Mazumder (Oriental), S. Roy (Unique) and Mr. H. C. Chaudhuri, Zemindar and Hony. Magistrate.



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Editorial

Reserve Bank for India

Curtain has at last fallen on the various speculations regarding the Reserve Bank scheme for India. No other financial problem did arouse so much public interest and press controversy in India since the Ottawa Agreement. The inauguration of a central banking system in India has been long overdue. Attempts were also made in the past for converting the Imperial Bank of India into the Reserve Bank, as well as of initiating some other institution which would function as the proposed Reserve Bank. The formulation of the present Reserve Bank scheme was first embodied in the White Paper. Much of political colour has been lent to the question due to its association with so many political quibbles. Essentially, the Reserve Bank is a problem of our national economy and has little to do with politics. Besides,

the more distant it can be kept away from the political arena, the more likely are its chances of successful operation. We need hardly reiterate here the functions which a Central Bank ought to perform in the internal as well as external organisation of a country's economic system. So, let us proceed to consider the salient features of the proposed Reserve Bank for India.

In the first place, the Reserve Bank scheme is not likely to meet with public approval for reasons more than one. But the public will undoubtedly welcome the idea that the proposal of turning the Imperial Bank into the Reserve Bank has been dismissed for ever. The Imperial Bank may only act as an agent of the Reserve Bank where there is no branch of the latter. In the second place, the Reserve Bank has been proposed to be a Share-holders' Bank with a capital of Rs. 5

crores. It has been argued that if the Reserve Bank has to be kept free from political influence it ought to be constituted as a Shareholders' Bank and not as a State Bank. This would have convinced us of the really bonafide intentions of the authors of the Reserve Bank scheme if they had not suggested the creation of separate registers, spreading shareholders all over so as to make the institution less amenable to public opinion. Mr. Manu Subedar considers the constitution of directorate rather faulty, and observes: "The amount proposed to be contributed by shareholders, viz., 5 crores, will be so small as against the large public reserves to be handed to the Bank that representation of public directors should not be a minority of four as against eight for shareholders, but it should be the other way about. There should also be a provision that shares of the Reserve Bank shall not be held by or transferred to any persons who are not born Indians or subjects of this country nor should they be held for or on account of an alien by Indians." In addition to this it may be pointed out in this connection that the appointment of Directors as has been proposed to be made by the Governor-General-in-Council will be open to severe criticism, firstly, because the Governor-General-in-Council may not attach due consideration to the appointment of the representatives of commercial interests of the country, and secondly, because the retirement

by rotation will keep the first Directors, nominees of the Governor-General-in-Council, in office for a long time after the Reserve Bank has been in operation. But it appears that there has been provided little room for power going into the hands of a caucus or clique.

In the third place, the Reserve Bank is meant for serving the purpose of encouraging indigenous banking by creating confidence in the public mind which is so vital for the development of our indigenous banking.

One of the most important functions which the Reserve Bank will be called upon to perform is the control of exchange. It has been vehemently resented in responsible quarters that the exchange obligations will have to be met by the Reserve Bank in accordance with the fixed rupee-sterling ratio existing at the time the Bill is introduced. There is real cause of regret in this, since the sanction given to an overvalued currency by the most responsible and important controller of the money market would cause severe hardship to the people.

There are several other stipulations in the Report of a nature which may rightly give rise to suspicion of the people. The point which calls forth comment in this connection is with reference to the minimum gold reserve of the Bank, which, it has been suggested, should be Rs. 35 crores. This works out at about 20 per cent of the note issue. The suggestion is not in accordance with sound

principles so far as India is concerned. The Hilton-Young Commission which discussed this question put the limit at 40 per cent for the Reserve Bank of India. The suggestion, therefore, of the Report seems to be rather bold, even bolder than the finding of the Monetary Sub-Committee of the World Economic Conference which held that the minimum gold reserve for any country should be 25 per cent of the note issue. The time is not opportune to dismiss the Reserve Bank scheme all together. There are many instances, some of which we have mentioned and others we have left out, to show that sufficient powers have been invested in the hands of the controllers of the Reserve Bank without adequate provision for keeping our national interests in the forefront. There is, indeed, sufficient ground for pessimism in regard to the working of the Reserve Bank scheme, and the measure of its success in ameliorating the economic distress of the country and providing fillip to the development of indigenous banking in the main will be its real test of success and usefulness.

India and World Trade

The report of Mr. H. A. F. Lindsay, Indian Trade Commissioner in London, on the work of his department during 1932-33 contains a very interesting and careful survey of world trade conditions and their repercussions on India's foreign trade. India has been particularly hit by the crisis and world

conditions are more responsible for such a plight than any local factor of importance. The severity of the present economic crisis was not fully realised before a stagnation of international trade had precipitated. The divorce of international finance from international trade has been a serious menace to any possibility of revival. It is rather idle here to reiterate one by one the causes and remedies of the world economic crisis, but it may be pointed out that as the process of precipitation has been slow and gradual, so the process of revival also should be slow and gradual. The flow of capital in the form of investments which is so very important for stimulating industries should be encouraged before one could wish to see any sign of revival. The exchange rates have provided greater obstacles to automatic adjustments of exports and imports than ever. The old theory whereby an excess of exports (of goods and services) induced an appreciation of exchange, a reduced foreign demand for goods and services, and thus a reversion to trade equilibrium is no longer fully effective, for exchanges may respond to movements of funds which are independent of the actual trade balance.

Other disturbing factors would be too many to admit of inclusion here. A *resumé* of the circumstances which have led to the crisis and indications as to which way the revival lies, may be made by stating the following facts :

(a) That the depression has its roots in the vast network of international debts which followed the war ;

(b) that the liquidation of these debts by goods and services is rendered difficult owing to the disastrous consequences to industry and employment in the creditor countries ;

(c) that liquidation by means of gold has only resulted in an accumulation of gold with the chief creditor countries, the United States and France ;

(d) that the scarcity of gold in other lands has given it an artificially high value in terms of commodities and services, the value of which in turn is artificially depressed ;

(e) that the measures taken by States to protect themselves have merely aggravated the depression ;

(f) that the various national currencies are slowly finding their true relative values in the world's markets ;

(g) that agreement with a view to easing the pressure of international debts is a first step towards recovery both for creditor and debtor States ;

(h) that a return to normal price-level depends on a relieving of the world pressure on available gold supplies through the release of gold stocks at present locked up ;

(i) that the various co-operative processes conveniently summarised as "planning," afford the best guarantee of a return to prosperity on sound and efficient lines.

While it is admitted that revival is only possible through the joint and co-operative action of all States, the only real measure of the return towards stability appears to be

the measure of prices, their general tendencies and their relative movements. Mr. Lindsay has pointed out that the position of India is satisfactory in this connection, since the fluctuations in the wholesale prices of staple Indian products quoted on the London market are now less violent than they were during the two previous years.

What untold miseries the decline in prices has caused to the Indian masses are too patent now. But this fall in prices has not been an unmixed evil. India is herself an important consumer in the world market. The low prices now obtainable, the Trade Commissioner argues, for primary products in the world's markets have encouraged the local consumption of many goods which India had hitherto grown mainly, or partly, for exports. Local industries are supposed in consequence to have benefited and competing imports have been reduced.

The Trade Commissioner observes that low prices have had a healthy influence in the direction of production, grading and packing of certain commodities, *e.g.*, fibre and oil-seeds, minerals and timber, etc. Waste has been reduced to a minimum. The Imperial Council of Agricultural Research have directed their attention to supporting and supplementing provincial activities in the whole field of agriculture while the Indian Central Cotton Committee have devoted considerable attention to cotton.

In spite of the fact that the present market is for the low-priced commodities, "quality goods" still weigh with a class of consumers who are not swayed by the consideration of price alone. In this respect, Mr. Lindsay pointed out, Indian hemp has greatly improved in quality during the past two years which is perceptible. Indian linseed and castor seed secure a premium over South African rivals owing to their superior oil content. India grows several varieties of rice which are second to none in the world, but chiefly for local consumption. The Trade Commissioner is confident that there is a quality market in the United Kingdom for high grade rices on which a substantial premium is paid, side by side with the wider market for rices of

average quality such as are at present imported from Spain and Italy.

The report has considered various other aspects of India's foreign trade, such as the tariff tendencies, protection to certain industries, possibilities of their development, etc., but we would not enter into further details here. On the whole, the review embraces a wide range of subjects and contains indications of a very important and far-reaching character. The suggestions offered by Mr. Lindsay for the improvement of Indian trade and industry with reference to some particular items and certain other matters as well are indeed valuable and deserve devoted scrutiny.



The Societal Transformations And Economic Rejuvenations of Today*

BY PROF. BENOY SARKAR

THE DECLINE-CULT OF TODAY

In recent years the name of thinkers who preach the doctrine of mankind's decline is legion. From Spengler, the German author, people have got the formula that the West is now in for decay. Romain Rolland has popularized the notion that Western civilization is doomed.

In the Italian demographist Gini's analysis of "the parabola of evolution" the European races are all exhibiting senescence with the solitary exception, perhaps, of the Italians. Even American sociologists have been attacked by this decline-cult and many of them are anxiously discussing the question as to the decline in the natural fertility of the Euro-American population.

PESSIMISM AS A CONSTRUCTIVE FORCE

All through the ages there has been a type of mentality that is interested in viewing the things of the world from what may be described in general terms as a pessimistic angle of vision. And the pessimism of Jeremiads appeals more or less to every man and woman. The reasons are obvious. First, there is no possibility of denying the fact that there is a certain amount or kind of misery and suffering always present, no matter how

well-placed the individual or the group. And in the second place, every honest intellectual can find in the sceptical attitudes and warnings or rather the "divine discontent" of the pessimists undoubtedly some very powerful aids to self-criticism and societal regeneration. Indeed, it is to pessimism that the world owes many of the energistic adventures in the "transvaluation of values" and upward trends in civilization. The value of pessimism as a constructive force cannot by any means be ignored.

THE APPRAISAL OF TRANSFORMATION

In these discussions as in all others bearing on social life there is generally no difficulty about agreeing as to the fact of transformation going on around us. But it is, as a rule, while appraising the value of transformation that the diversity of schools arises each with its own shibboleth based naturally on personal equations. One thinker is convinced in his own way that the seventeenth and eighteenth centuries were more "creative" than the nineteenth and the twentieth; and another ignores the beneficial influence of social assurance and other modern legislation on the standard of living and welfare of the masses.

But even those who admit that economic and cultural progress has been advancing from group to group and class to class fail very often to realize that a great deal of the

* Substance of a lecture on "Social Transformations in the East and the West" delivered by Prof. Benoy Sarkar of the Calcutta University at the Rotary Club, Calcutta on Tuesday, August 8, 1933.
—Editor.

transformations generally known as class or social revolutions are at bottom expressions of racial ups and downs. It is these replacements or absorptions of certain races by others that constitute the anatomical background of world-culture. The eternal story of mankind is to be found in a nut-shell in the stone implements of the Palaeolithic Ages, when the Mousterians had to give way to the Aurignacians and these latter were in their turn replaced by the Magdalenians and others. Migrations and race-contacts have always furnished the framework of organized social existence.

In historic times the subversion of the Roman Empires in Europe and that of the Hindu and other Empires in Asia have spelt likewise the ascendancy of certain racial elements at the cost of certain others. So far as modern Eur-Asia is concerned, the same process of race-mixture, race-submergence and race-uplift has been going on until we find that anthropologically the modern Indian's affinities with the ancients of his land are perhaps as problematic as those of the modern European with the ancients of his continent.

THE HINDUIZATION OF ABORIGINES

The world-process is visible under our very eyes in Bengal. In the social economy of Bengal there are some thirty tribes known as aborigines, constituting a diversified group of a million and a quarter, and representing some 3 per cent of the total population. The big three of these primitives, namely, the Santals, the Oraons, and the Mundas, are responsible for nearly two-thirds of this number. But while the big three higher castes, the Kayasthas, Brahmans and Vaidyas, numbering something over three millions, have during the last forty years grown 137

per cent, the aborigines have grown 319 per cent. The rate of growth is phenomenal.

This numerical growth, important in itself as it is, acquires a fresh significance when one observes that the aborigines are today more Hindu than tribal in religion.



Prof. Benoy Sarkar

Nearly sixty-six per cent of the big three primitives are Hindu. As a transformation, the Hinduization of the aborigines is further interesting in another regard. The Hinduized aborigines form a part, nearly 12 per cent, of what are generally called the depressed classes of the Hindu society. We understand, then, that the aborigines of yesterday constitute the depressed classes of today. In other words, the societal transformation known as Hinduization hides the facts of, or prepares the way to racial expansion, race-fusion and race-assimilation.

THE DEPRESSED AS BRIDGE BETWEEN PRIMITIVES AND HIGH CASTES

Nor does the process stop here. Among the big three higher castes the Kayasthas

were during the last four decades just below the Brahmans in number. But they were rising until today they have outnumbered the latter. In forty years while the Brahman has grown 24 per cent, the Kayastha has grown 58 per cent. What is this growth of Kayasthas due to? Not all to fecundity or to "natural increment" *i. e.*, surplus of births over deaths. A great deal is to be accounted for by invasions from other castes whose upward trends have been manifest for some long time. The non-Kayastha, perhaps, one of the depressed of yesterday, has grown into the high caste of today. And in this, again, we have to register not only a social but a racial transformation well. From the aboriginal to the high-caste Hindu the gap may be great, but the bridges are sure although slow, and quite solid.

Altogether, the Bengali people is expanding although it is undergoing a radical change in class-character and racial make-up. The transformations that have been going on in Eur-America today on account of the pressure of the Slavs upon the other races should appear to belong almost to the same category as those in India. As for the "quality" of hybrids or their capacity for carrying forward the torch of civilization Eugenics is still discreetly silent in its conclusions unless the exponent happens to have a conservative reform scheme on the anvil. But positive history announces that races may come and races may go but that civilization goes on for ever.

THE STATES-SYSTEM OF EUROPE

Attention may now be called to another field of societal transformation. The net result of the total evolution has succeeded in making out of Europe a continent of 470 millions.

In India we are 350 millions, *i. e.*, nearly three-fourths of the populational strength of Europe. Now, the White Paper contemplates the erection of a federal structure out of the different units of the Indian subcontinent. Naturally, one encounters difficulties. But are they anything exclusively Indian, oriental or tropical? What is the political anthropology of Europe even after the reconstruction of Versailles?

Europe possesses some thirty-two or thirty-three different states independent of one another, each endowed with sovereignty in international law. The prospects of a Pan-Europa are as remote today as they ever were. By the European standard and according to European precedent India's natural constitution should be that of two dozen independent states. And that condition ought not to be condemned as a state of horrible disunion as long as the states-system of Europe is tolerated on the map by the League of Nations.

The problem of national unity may be examined with reference to smaller areas. Take one of the alleged "nation-states" as manufactured at Versailles, say, Poland. What is the number or percentage of the Polish people in Poland? The Poles themselves are barely half of the people, nearly 53 per cent. The others are Ukrainians (21 per cent), Jews (11 per cent), White Russians (7 per cent), Germans (7 per cent), and so on. There are at least five different nationalities or language-groups in this so-called "nation state." Europe does not know unity even in small states. Sociologists, such as interest themselves in *Beziehungslehre* or the "science of relations" and social "forms," will have to admit that Indian peoples are not more prone to disunion than are the Europeans.

DISUNIONS AMONG CHRISTIANS

Let us enter the domain of "social" life in the strict sense and discuss some of the unities in this field. The nature of the remaking of man and the reconstruction of the relations between groups will become clear from a new view-point. The fact that in England the Catholics had to be emancipated shows that in certain respects they constituted for ages the depressed classes of the British people. Take the continental regions as they are today. What are the relations between Christians and non-Christians, say, the Jews in Eastern and Central and South-Eastern Europe? The Minorities Section of the League of Nations knows quite what they are. The "social" position of the Jews in the U. S. A. is another common instance of Christian prejudice *vis à vis* non-Christians with which the student of societal morphology is familiar in the Western world.

Then, again, among Christians what is the relation between Catholics and non-Catholics? The ecclesiastical law of marriage until a few years ago did not leave much room for intimate camaraderies between the different denominations. And in spite of the secularization of marriage laws the unities have failed to make much progress in intimate domestic life. Besides, "communal" spirit, as understood and condemned now-a-days in India, is embodied in the political parties of some of the powers, great, medium and small. As long as parties could be freely established, in pre-Fascist Italy, for instance, the Popolari was Catholic. The German Zentrum is or rather was likewise a Catholic Party. There is a Jewish Party in Rumania and its antithesis too, namely, the Anti-Semite Party.

One will have to be a specialist in the religious anthropology of Christendom in

order to be able to say how many sects the Protestants have and what constitutional, doctrinal and other differences distinguish them from one another. The Christian missionaries in China are everyday aware of the pragmatic consequence of their diversities while dealing with the Chinese converts. They are perpetually at a loss to answer satisfactorily such questions from the converts as the following: "Whom are we to follow, the Baptists or the Episcopalians, the Evangelists or the Presbyterians? Who is your Jesus? and who is their Jesus?" and so on.

It is clear that the last word of societal reconstruction in the religious sphere has not been able to remove the bones of serious contention from the Christian world. Perhaps India has no better show to make. But in the interests of science, culture, and internationalism it is desirable to understand and to feel that there is something like identity, parallelism and similarity between the East and the West. It is high time that the science of relations and the orientations of groups towards one another be re-established on novel foundations.

INFANT MORTALITY IN THE EAST
AND THE WEST

A great instrument in the remaking of mankind in contemporary times has been the reduction in mortality both in Europe and India. On this point certain observations would be relevant. It is to be recalled that until 1905 Bavaria had an infant mortality rate of 218 per thousand living-born. The Bengal rate has come down from 221 in 1911 to 187 in 1930. Today Bihar has 148. But this level was not attained by England and France until 1896-1905, by Italy until 1905-14, and by Germany until the post-war

decade. At the present moment the Bihar rate is exceeded by Ukrainia, Bulgaria, Lithuania, Czechoslovakia, Egypt, Hungary, Rumania, Russia and Chile. High infant mortality is not the exclusive feature of Indian climate or race and Indian religion or social habits.

THE POLITICS AND FINANCE OF PUBLIC HEALTH

It should be proper to envisage the cost of societal rejuvenation as a function of improvements in public health. From 1831 to 1871 there were five invasions of cholera epidemics in England, and during that period cholera and small-pox were as European as Asian. Typhus and Typhoid are likewise not exclusively Oriental diseases. How have these diseases been controlled in certain countries of Europe? Down to 1848 there was no Public Health Act in England; and water supply and sanitary conditions, especially in industrial and urban areas, were notorious. In 1848 the first Public Health Act was passed but there was no organization to enforce the Act. It was not until 1875 that county councils were compelled to employ "medical officers of health" and inspectors of nuisance on a decent salary. About that time the *Reichsgesundheitsamt* (Imperial Health Office) was established in Germany also.

Health is a tremendous financial burden. In England 22 per cent of the local rates is spent on health alone, the next item being education which absorbs 19 per cent. It is not the Christian religion, it is not the temperate climate, it is not the Nordic race, it is not the general manners and customs that has been able to stamp the diseases out. But in the first place, it is the law, the fiat

of the state, that has controlled the diseases, revolutionized the sanitary habits, and transformed the character of the people. Secondly, it is the vast amount of expenditure lavishly bestowed upon the population that has succeeded in consummating the great remaking of society that has been accomplished today.

HEALTH CENTRES IN BENGAL

In India we have no Public Health Act and we are notorious for our lack of funds in regard to developmental or reconstructional projects. But thanks to our great publicist, Chittaranjan Das, the scheme of health centres was accepted by the Government of Bengal in 1925. The system comprises some 600 circles and is being financed by the District Boards. The Government's contribution is Rs. 2,000 per centre per annum. One can naturally expect that the chronological distance that one notices between Bengal and some of the advanced countries of the world in the field of health and sanitation is likely to be made up with a more energetic functioning of the state both in legislation and public finance.

TECHNOCRACY AS A SOCIAL AGENT

Finally, I should like to touch upon technocracy as an agent in societal reconstruction. The distinction between the East and the West, historically considered, is not a distinction in ideals or outlook on life but a difference in the grade or degree of the remaking of man. An objective measure is furnished by the achievements of technology. Down to the end of the Middle Ages there was hardly any distinction between the two wings of Eur-Asia in institutions or ideology, material and economic or cultural and social. The Renaissance in India and China and

other parts of Asia, which was in certain cases the joint work of Hindus or Buddhists and Mussalmans, was more or less identical with that in Europe in so far as arts and crafts, literature, religious reform, etc. are concerned.

But Leibnitz, Descartes and Newton, representing as they did the beginnings of exact science, registered the parting of ways for the Western world. And yet the new sciences did not bring about any economic and social transformation until the steam engine revolutionized the cotton industry in 1785. For the first time the West became differentiated from the East, or rather the "modern" began to evolve out of the medieval or primitive.

For nearly two generations, however, Great Britain, the pioneer of industrial revolution, continued to tower above the rest of Eur-America into solitary greatness in the new field ushered into existence by modern technology. It was not until the middle of the nineteenth century that Germany and France could claim a place in the scheme of this new societal morphology. By 1905 Germany had already caught up to the British achievements in technocracy, and the Anglo-German party was established in industrialism.

THE EPOCH OF THE SECOND INDUSTRIAL REVOLUTION

Not every European and American people has been able to march as fast as the Germans. Many of the races in the Balkan Complex, Eastern Europe, and Latin America happen to find themselves in the technological and socio-economic conditions of Germany, such as she was about half a century ago, *i.e.*, in the earlier phases of the industrial revolution. It is more or less in

the same level of the "first industrial revolution" that India finds herself today. The profound transformations that are going on at present in the societal structure of Germany, the U. S. A., and Great Britain under the impact of trusts, rationalization, technocracy of the latest type, collectivization, public ownership and "social control" are tantamount to nothing short of what may be called the "second industrial revolution."

The distance between the second and the first industrial revolutions is a distance of some two generations at the utmost. But there is a profound economic and psychological nexus binding the two. The regions of the first industrial revolution must import machineries and part of technical skill as well as capital from those of the second industrial revolution for the normal functioning of their economic life. Incidentally, be it observed that although the representatives of the feudal aristocracy like the land-holders or zamindars of Bengal have contributed their capital to the modernization of their countrymen in technique, industry, science, and culture, their combined financial resources cannot by any means be voluminous enough to promote an adequate industrialization of large areas inhabited as they are by millions of people. External finance must have to be imported. "Autarchy" is, therefore, being factually replaced by interdependence, nationalistic sentiments and protectionist tariffs notwithstanding. The industrialization of the undeveloped regions in India as elsewhere involves, therefore, a transformation of technique and social order, such as is well calculated to furnish employment to the workingmen in the U. S. A., Germany and Great Britain, and thus help forward the

elevation of these "industrial adults" to a higher standard of living and efficiency.

THE DEPRESSION-REJUVENATION COMPLEX

A sinister aspect of the technocratic predominance as embodied in the second industrial revolution is, no doubt, unemployment on nation-wide scale, which looms so large in the economic crisis of the present day. But the first industrial revolution which is being consummated at the same time is well calculated to raise the purchasing power of the peasants in the undeveloped countries as well as the financial strength of the zamindar and middle classes. It cannot fail to expand thereby the markets for articles,—tools and implements, "instruments of production," rail and road materials, "quality-goods," etc.,—such as are produced in the regions of the second industrial revolution.

The establishment of industries—cottage, small, medium or large,—in the undeveloped countries, can in the long run be but an agent in the expansion of economic power of the "adults." Paradoxically enough, in order to combat unemployment in Great Britain, the U. S. A. and Germany their economic statesmen will have to work for the success of the "*Swadeshi* movements" in Eastern Europe, Russia, Asia and Latin

America. So far as India is concerned, the Ottawa Imperial Preference is likely to be a help in this direction by safeguarding her markets in the United Kingdom as well as by facilitating the import of British capital. And as long as India is a part of the Empire Economy it is to the advantage of her peasants and middle classes that her currency be normally linked up with the British.

The evils associated with the second industrial revolution, namely, the phenomena of unemployment, should appear, therefore, to be practically counteracted to a considerable extent by the developments implied in the first industrial revolution. The prosperity of the adults is limited by and dependent on the increase in the wealth and purchasing power of the youngsters, and *vice versa*. The two industrial revolutions of today thus constitute one complex, and societal transformation is tending to bring the East and the West, the youngsters and the adults, together on to the solidier foundations of international co-operation. The world-economic depression through which we are passing bids fair to be but an item in the transition of entire mankind to a somewhat more elevated plane of living and thinking. It is on the eve of an epoch of rejuvenation that the peoples of the world find themselves at the present moment.



The Problem of Credit Cycle and its Control

BY DR. B. RAMACHANDRA RAU, M.A., PH.D.

Lecturer in Economics, Calcutta University

MEANING OF CREDIT

From the banking point of view credit means the creation of debt by someone to another individual. When bankers speak of the creation of credits it means nothing else than the creation of debtors and creditors. There are as many debits as credits and the respective sides of the bank balance sheet expand proportionally. When a bank creates credit it means a bank deposit or a particular type of credit which is being created. Bank credit is thus a glorified actor in the arena of modern business. The business transactions of modern society purely depend on the health and vigour of the chief actor.

AN EQUILATERAL TRIANGLE

A recent writer explains the importance of credit by drawing an equilateral triangle, the three sides of which are represented by credit, consumption and production.

THE POSITION OF CREDIT

These sides of the triangle are mutually co-expansive. Credit holds the key position and the others are interdependent factors. The transfer of credit permits the interflow of goods from production to consumption. Although the hygiene of credit has not been mastered as yet it is still patent to everybody that at times all sides of the equilateral triangle may increase or decrease. Such support of all-round activity could be noticed

during the recent new era days of prosperity (1925-28) in the United States of America.

LACK OF EQUILIBRIUM

More often the position of disequilibrium manifests itself when one side unduly lengthens or shortens or lags or leads in expansion. The lack of equilibrium continues till they fall in step and move closely hand in hand. This situation can be illustrated concretely by the following supposition.

OVERPRODUCTION

It is almost a truism to state that entrepreneurs in charge of production speed the progress of economic activity as soon as they expect increased demand for their marketable goods. Production forges ahead. Additional bank credit stimulates this activity and bank advances become locked up in shape of fixed or investment capital. No hitch does arise if consumption responds an effective demand exists for the increased goods. If, however consumption does not respond a stock of unsold goods would result out of this psychological optimism. As their hopes are not being realised they immediately discern serious jerks in the flow of trade. A modest fall in prices is engineered to tempt the consumers but this anxiety itself on the part of the entrepreneur makes the consumer higgler further so that there is further checking of demand. The seller withdraws from the market in the vain hope that prices would

rise as a result of shrinking supply. The buyers however anticipate further fall which they hope to engineer by further desisting from entering the market. Thus a further fall of prices ensues. A battle royal can be practically witnessed and the seesaw movement between bullish and bearish sentiments would baffle any accurate description. In course of time a natural level is reached and consumption is once again stimulated till it reaches a normal stage. But the infirmities of the entrepreneur would once again initiate a similar cycle of events. Thus credit becomes overworked as a result of entrepreneurial suggestion and banker's willingness to lend a helping hand to their erstwhile customers.

CAPITAL INFLATION

The course of a representative credit cycle arising out of credit infirmities can be depicted as follows: "First there is a capital inflation leading to an increase of investment and a commodity inflation results. Second, there is still more capital inflation and commodity inflation for approximately one-production period leads to that of consumption goods. Thirdly, there is a reaction in the degree of commodity and capital inflation and finally decrease of investment below normal takes place leading to commodity deflation.

CONSUMERS' VAGARIES

A credit cycle arising out of the vagaries of consumers would be riotous such as it used to be in the days of "new era" prosperity in America. Riotous living leads to good times in certain types of industries. There is too fast and uneven investment of capital in fixed forms: there is rapid change, economic development and unbounded optimism. But a stage ensues when there is the failure

to earn interest charges even. There is a fall in prices and business failures ensue. Even Government revenue shrinks. There are uniform curtailed profits all along the industrial line. Industries work on restricted basis. There is widespread unemployment among workers. A panic ensues. Food riots mark the depth and intensity of misery prevailing in such disturbed times. There is the weeding out of weak concerns. Forced adjustment to new conditions takes place during the times of enforced liquidity. A fresh point of equilibrium soon arises and the use of cycle repeats itself afresh.

CENTRAL BANKS' WATCHFUL ACTIVITY

These entrepreneur's mistakes and countries' overproduction of raw materials by Dame Nature cause industrial fluctuations. Credit infirmities and consumers' vagaries have to be detected in due course of time by the Central Banking structure. An entirely useful Central Banking policy consists in checking abnormally active credit or unduly heavy credit contraction. Its activity as well as volume *i.e.*, as I have stated elsewhere, the quantitative as well qualitative character of credit have to be vouchsafed. Though a permanent bureau of the Central Banks might attempt to study the conditions of excessive or deficient and subnormal activity of credit still the economic conditions society make the effective control over the continuously operating credit oscillations an impossible thing to be carried out, much less realised in actual practice. As a result of constant shift in the three different sides of the triangle the price-levels become irregular in their trend. In the language of economic science "the periodicity of price changes is not harmonic but is subject to irregular de-

harmony." Monetary policy and credit control mean firstly the understanding of the cause of the price changes, secondly the discerning of the means of measure to detect changes in the price-level and finally the attainment of relative stability of society which is not unduly subjected to several stresses and strains.

SEASONAL VARIATIONS

Economic theory classifies price changes under the following five headings. Seasonal variations conferred to the limited span of one year, the short cyclical wave which runs over three years, the long cyclical wave covering a much longer period viz., ten years secular changes which run over 40 to 50 years and abnormal fluctuations such as those occurring during war times.

Beginning with the last item it can be immediately grasped that no possible restraining influence can be exerted on the upward swing of the price-level. While the evils of uncontrolled inflation can be abhorred yet no remedy has been suggested beyond the undertaking of fixing of maximum and minimum prices and commandeering peace-time industrial activity to war-time basis. The other well-known methods of remedying the extreme evils of inflationary prices are the practising of thrift and the rationing of necessary commodities of life whose price has risen high. Rise in general price-level can be checked by controlling exports as well as imports. The fixing of prices which are revised from time to time is only an anxious desire on the part of the State to make fixed price cover the cost of production. Sometimes Governments might acquire the commodities produced in a whole lot. Thus these different examples of price-fixing are ample proof of the fact that the State has to protect the community from

the evils of high prices brought about by whatever cause it might be. Fiscal pressure, commercial factors, expansion of commercial banking credit and low interest rates tend to defeat the realisation of the above desire and its cherished consummation. Until other forces aid the action of the State the return to normal industrial activity does not take place. Contraction of commercial bank credit, consumers' strike, rising interest rates, the cessation of forward buying, and the balancing of budgets would lead to the return of normal conditions which govern prices.

SEASONAL PRICE-CHANGES

It is known almost to every student of economics that seasonal variations in industrial life occur in a country where great variations in temperature can be felt. That building and iron industries are markedly seasonal in nature needs no elaboration here. So are winter clothing and woollen manufacturing industries. The industrial life in provision and oilman's stores business is markedly regular when compared with the above industries. During bad times of economic depression the loss of these industries becomes deplorable. Price-changes do not govern seasonal industrial activity. As a matter of fact no economic barometer which can truly indicate industrial prosperity can be pointed out. Not even the loan rate can be thought of as guiding industrial operations during these brief periods.

THE SHORT-TERM CYCLICAL WAVE

The short-term cyclical wave extends beyond a longer period than the seasonal variation does. Prof. Fisher and other economists have already pointed out the lag between the loan rate of interest and the real rate of interest.

The peering into the future is denied to the ordinary man and the entrepreneur fails to calculate exactly the new means of production which are needed by society. The decision of the savers who ought really to determine the rate or pace of economic progress has no influence on the situation. Either the State or the entrepreneur sets the stage of industrial activity and creates the new means of production or the creation of investment capital goods is undertaken by them. The bankers or the credit purchasers act as mere middlemen and respond to their call or initiative. There is unequal distribution of investment and a few major industries become over-capitalised and over-developed. The moment the bankers detect this situation they begin to restrict credit. The hopes of entrepreneurs are nullified by the fear of the bankers for the safety of their credits. At any rate no new bank credits are extended to these overdeveloped industries. A higher interest rate is sometimes demanded to check marginal demand but all borrowers stand penalised under this arrangement. The uncertainty of the future acts as a deterrent on normal economic activity. Even stock-exchange quotations begin to accurately reflect the economic behaviourism of the community. The economic balance or equilibrium stands disturbed. Activity becomes restricted. Unsold stocks and raw materials are offered for quick sale as industry has to cover operating expenses at least. Commodities are sold even below their prime cost and the greater the bank pressure for the return of the previous loans the more accelerated is the tendency for the drop in the price-level. Enforced liquidation sometimes becomes the prevailing feature. The process of writing off losses has to be faced with equanimity. Wages have to be

reduced. The other various items of cost of production must have to be drastically curtailed so as to cope with the abnormal fall in prices. The longer this process of readjustment takes place the longer would be the time taken for the restoration of economic equilibrium. The same set of facts emerge once again as soon as the new equilibrium point is reached.

THE LONG-TERM CYCLICAL WAVE

The longer cyclical waves cover a period ranging from seven to ten years in length. Very often a succession of 2 to 3 short cycles would be experienced within the period of the longer cycle. Economists subdivide the long cyclical period of 1921-1931 into three short cycles of 1921-23, 1925-27 and 1928-29. The trend of events is unmistakably the same everywhere though the exact sequence of cause and effect might not be repeated in the same order.

SECULAR CHANGES

The secular changes in price-levels occur once in a period of fifty to sixty years and economists speak of it as a "structural change in industrial life." Gold production and population growth are the chief explanatory causes. But the economic historian who studies political and social development can no longer incline to the view that secular changes tend to occur only in longer and longer periods. He draws an interesting parallel between human life and industrial life. The reasonable period of industrial life is rightly compared with the working hours of the day. The short-cyclical industrial movement can be compared with the day; the long cyclical wave with the week; the secular wave with the year and the industrialisation period

varies with the whole human life. This has been the experience of every important country. The U. S. A. witnessed for example 20 cycles of varying intensity within the whole course of the 19th century. The experience of every industrial country organised on the acquisitive capitalistic basis is the same or tends to be similar.

TESTIMONY OF KEYNES

Prof J. M. Keynes admits the kaleidoscopic character of economic events and the changing nature of economic facts in the credit cycle is pointed out by him in the following cryptic remark. The possible varieties which a credit cycle can follow and its possibilities are so numerous that it is impracticable to outline all of them. One can describe the rules of chess and the nature of the game, work out leading openings and play through a few characteristic games but one cannot possibly catalogue all the games which can be played." Engaged in the field of productive industry and actuated with the motive of securing economic progress the entrepreneurs as well as the bankers fail to realise the wider perspective. The individual planning of the capitalistic machine tends to aggravate and prolong the troubles of the cycle of economic depression. There is no systematic cooperation between demand and supply with the result that capitalistic society is sometimes faced with either a glut or overstocked market or else there is a scarcity one. Neither situation augurs well for the future. The period of recovery from maladjustment to the one of normal economic equilibrium is unduly prolonged as a result of planless working on the part of the industrial machine. The attainment of economic equilibrium between society's investment and

saving has to be done or rightly estimated. Savings have to be properly garnered by the banking machinery. If the rate of investment is forced to move in unison with the above factor the credit cycle will disappear. Investment goods and consumer's goods have alike to be produced in sufficient quantities and nothing further in the direction of maladjustment can indeed take place. The attainment of economic equilibrium rests in the hands of bankers who have to provide such volume of credit as is needed and at such a rate which will cause the value of investment in fixed, working or liquid capital to be in equipoise with the rate of savings. Provided profits which are often the balancing economic factors in economic calculations and business operations do not influentially misdirect investment there is no reason why steady normal or average economic progress should be denied to capitalistic society. The individual entrepreneur himself must exercise his foresight and adaptability during all stages of the economic depression or boom. But the banker can however go far in alleviating the misery of the different sections of society during acute depression by helping the State to act as entrepreneur. While State enterprises should be of complementary nature to private enterprise still they should not be such as to divert capital from the foreign market. It can be confined safely to spheres which are real public needs and which have been neglected by private initiative so far.

LABOUR'S PART

The consolidated labour organisations ought to strive after the ideal of a mobile or plastic wage policy instead of a monopolistic fixed wage policy out of tune with

actual industrial conditions. That changes in wages should follow changes in prices is the infallible economic law, the course of which might be delayed but the policy of wide awake trade unions ought to be the realisation of this idea.

COMMERCIAL AGENTS

Nextly, the commercial agents or middle men are the distributors of goods and services. They can smooth out the unnecessary disturbances in industrial life. They however depend on economic information and economic statistics would check misjudgment. The press must disseminate accurate information and create a right kind of economic atmosphere so that di-proportioned production does not arise.

CONSUMERS

Again the consumers or the general public determine production while entrepreneurs govern development by their initiative. During good times increased foresight in the investment of capital and in borrowing is needed. During bad times the public should not live beyond its resources. Prof. Taussig's excellent exhortation to the consuming public can be borne in mind and it runs in the following language. Keep as much as you can to the even tenor of your way. Do not spend recklessly, do not be stingy. Do not waste and do not hoard. Help your neighbour, help your community, help your country by making all the contributions you can for alleviating distress. Your gifts for charity and for public use will help, even though they are palliatives not remedies. Things that bring some relief from pain and misery are as much needed in industry as they are in medicine. In your

daily life avoid excess, live your own sober steady and normal life. By so doing you help to steady business life and help it into the course of enduring health and prosperity."

THE CENTRAL BANK

Finally, it is the Central Bank that can make proper and timely adjustments of the bank rate of discount and check the rising phase of the cycle. A gentle cyclical revolution or a relatively slight depression might exist and it can moderate the pace of present-day delayed crisis or prolonged depression. During times of disturbed psychology and panic in the money markets bank credit must be obtainable.

Industrial life cannot in spite of vigilance on the part of the above six factors move steadily forward. There cannot but be cyclical waves and crises as mankind has not the capacity for peering into the future and so regulating the whole development beforehand that it can proceed in perfect proportion. After a time of new creation there must be a time of consolidation and reorganisation. Like the proverbial rings on the tree which usually mark the years of plant growth business cycles and industrial depression indicate the broad stages in the organic development of industrial life as it proceeds stage by stage.

CASSEL'S CRITICISM

Prof. Cassel however disputes not only the above opinion concerning the periodicity of the recurring business cycles but pools the opinion concerning the mathematical representation of a business curve as the exact measurement of human motives cannot possibly be understood aright. He also opines that there has been steady business increase since 1850. This concep-

standing example of the faithfulness of the national economic plans. Government control, Government operated enterprises and other specially organised form of industrial self-government are standing movements of the superiority of organised schemes over those of the unplanned capitalistic ventures of the modern day.

ECONOMIC PLANNING IS ACTION

Germany, France, Italy and the whole of Western Europe are now replanning their entire economic organisation with the view of maintaining a balanced economic life for their nationals and have a secure basis for relative economic progress. In spite of unpreparedness Russia's five-year planning has become a watch-word in the field of modern economics. In spite of several undisputed benefits there have been remarkable mistakes arising out of the five-year plan. A highly centralised socialist system has been built out of an unmechanised superstitious agricultural population such as the Russian peasants. All branches of national economy such as industry, agriculture and transportation have been studied in detail and the individual original requirement of economic area are also analysed so that optimum economic development might be assured as a result of co-operative efforts and improved production.

THE LIMITATIONS OF PLANNING

The limitations of planning must however be cautiously recognised. Although individual industries are carrying out schemes of national organisation still it is inferior to the National Economic Council's planning of the entire industrial life of the nation. Producers' organisations might simply aggravate

the situation of uniform economic progress is corroborated by another great statistician and scholar, Dr. Carl Snyder who supports this theory from the experience of U. S. A. economic conditions. Both these eminent writers stand opposed to the theory of "pendulum movement which has hitherto been supposed to be the main characteristic of economic life." This keynote of "uniform development of progressive economy is always the basic point of his study of industrial fluctuations." In his Rhodes Memorial lectures delivered in the Trinity term of 1932 he says "that a true understanding of the uniformly progressive economy is an indispensable preliminary to the study of industrial fluctuations." A carefully regulated planning in advance of the industrial machine would enable us to check extreme fluctuations leading to nation wide unemployment and misery.

ECONOMIC PLANNING IS A SYSTEM

But the idea of economic planning is nothing new, nor strange. It is as old as civilisation itself. The early economic theorists such as the Mercantilists had a plan of their own to increase national prosperity. There has not, however, been any conscious applications of this national planning idea to the industrial organisation and economic system as a whole. American industrial engineering for example is nothing but deliberate planning. The scientific management of Taylor signifies conscious planning in the factory organisation of any industry. These sporadic ideas so rich and pregnant with meaning ought to be applied on a nation-wide scale. The triumph of the forcibly adjusted industrial organisation from the peace-time to a war-time basis is a

depressions and unduly prolong them. A depression arising out of credit infirmities would be beyond the pale of their active control. During falling prices producers become anxious to maintain the higher older level. Again some amount of external readjustment would enable the "sick industries" to flourish against adverse external factors.

NATIONAL ECONOMIC COUNCILS

A National Economic Council would certainly meet with better success but even this body would find several things beyond its control. Again it might commit mistakes. The opposition of special interests would nullify the recommendations of the N. E. Council. The N. E. Council cannot go far in stabilising investments and savings.

Popular prejudice, ignorance and misunderstandings would stand in the way of executing the intentions of the N. E. Council.

CONCLUSION

As prevention is always much better than cure each nation has to control and master its own fate and a national economic council is an indispensable prerequisite in this direction. Men possessing wisdom, courage, economic knowledge and broad sympathies should form members of this economic council. The plane of economic thinking would not only be lifted to a higher level but this collective effort would find a satisfactory solution for the problems facing the national situation. The economic system can be organised and worked out to produce brilliant and astonishing results.



Insurance in India and Abroad

By DR. NARENDRA NATH LAW, M.A., Ph.D.

It is desirable that the cause of Insurance should be popularised in India. In recent years the progress of insurance has been quite rapid, too rapid, perhaps, as some discerning minds fear. Still we have a long way to traverse before we approach anywhere near the amazing achievements of the West, or of America, in this respect. According to 1929 figures, the United States of America carries insurance of \$13 dollars *per capita*, Canada 610 dollars, the United Kingdom 266 dollars, Italy 152 dollars, whereas India carries *per capita* insurance of 2 dollars only, or about Rs. 6 more or less. During the 30 years 1894-1924, the total ordinary assurance increase in the U. S. A. has been over 800 per cent. On the other hand, the rate of progress of the Indian companies was very slow till the year 1920, after which, there has been a great spurt, due mostly to the activities of a few big companies like the Oriental, Hindustan, National, Empire and New India. During the decade beginning 1920, the total business remaining in force at the end of the year has increased from Rs. 31 crores at the end of the year 1920 to Rs. 85 crores at the end of 1930 ; in other words, an increase of about 175 per cent. It was also since 1920 that most of the Indian companies doing business in fire and marine insurance have been started so that it will be correct to say that it is only during the last 15 years or so, that Indian insurance companies have been able to make any considerable headway.

In the above figures, I have included only

the Indian companies, that is, only companies registered in India and with rupee capital and reserves. Foreign companies including British companies still carry a total Indian life business of Rs. 103 crores with an annual premium income of Rs. 5.5 crores. Indian Life Offices have thus far failed to appropriate even half of the total business in force in India, not to speak of their coming up to the



Dr. Narendra Nath Law

standard set by the Western countries generally, and the United States of America in particular. So far as fire, marine, and miscellaneous insurance are concerned, Indian companies are very far behind the foreign

companies doing business in India. In the year 1930, out of the total income of Rs. 2,25,78,000 from fire, marine and miscellaneous insurance, the share of Indian companies was about 25 per cent. Yet the paid up-capital of these Indian companies is Rs. 1,63,75,000 and it is evident that the *Indian Finance* is perfectly justified when it remarks "that the extent of business done by Indian companies is small in proportion to their capitalization and that these companies are equipped with sufficient capital to handle a very much large volume of business."

It is not my intention that these facts and the figures which I have quoted should give any cause for despondency. In fact it is a plea for greater effort. As it is, there is sufficient cause even for optimism. In the field of fire, marine, and miscellaneous insurance in which India started very late, it is a matter for considerable gratification that she is already gaining ground. As a matter of fact, during the years 1928-30, the total income from Indian business of British companies (which write the largest part of Fire, Marine and other miscellaneous insurance among the foreign companies) dropped by more than 8 lakhs whereas the Indian companies during the same triennium increased their income by more than 19 lakhs. The progress of the Indian companies in the matter of life insurance has already been noted. In recent years, the total life-business in force of the Indian companies is gaining more than that of non-Indian companies. Both have, it is evident, been hit by the prevailing depression, the Indian companies so far as they have failed to record any progress in the total business written in India, while the foreign companies, operating in India, have actually receded in the field. As a matter of

fact, the principal Indian companies have seen, since 1930, a great improvement in new life business figures, while the principal non-Indian companies have witnessed a drop of more than £ 50 millions in their new business figures, both in India and abroad. Most of these latter companies, however, both from the point of view of their capital and reserves, and the business that they still attract, are relatively in a far stronger position than many of the Indian companies.

The above fact, again, need not cause us any disquiet. There is absolutely no question about the *soundness* of most of the Indian companies, and the law being what it is in India, it is difficult for an Indian company to go astray. The policy-holder is now adequately protected by law by means of various restrictive provisions, among which the restriction that no dividend is to be paid by any company out of its life funds except out of profits ascertained by an actuarial valuation of its assets and liabilities, is not the least. The cautious and conservative way in which most of the Indian companies invest their funds, as much as 75 per cent of the assets being on the average, invested in gilt-edge, is, in the present state of the market for investments, also an additional protection to the policy-holder. Perhaps this policy may be condemned as being a little too overcautious. In most of the non-Indian companies, investments in gilt-edge hardly exceed 50 per cent, usually being 20 to 30 per cent, and a generous portion of the assets is used in the purchase of debentures and preference shares, thus benefiting industries. The peculiar circumstances of India render this course undesirable, at least for the present. We should try to achieve progress, but not at the cost of safety and soundness. This

does not mean that I am discounting a policy of investments other than in gilt-edge. A company will have to earn good interest and should, therefore, wherever possible, try to go in for a forward policy of investments. What I want to emphasise, however, is that in a country where the *per capita* insurance does not exceed Rs. 6, insurance must be regarded as still a pioneering enterprise and insurance companies must be, like Caesar's wife, above suspicion. As it is, industrial securities of the right sort are also not abundant.

On one point, however, I must enter a caveat. There should be utmost efforts for economy in organization, of administration as well as of agencies. Without it, the ratio of expenses to premium would remain unduly high. In most of the British companies, the ratio does not exceed 20; it is usually about 15, even a ratio of 9 to 10 is not unexpected. We might put the usual ratio at about 30 per cent. in the case of Indian companies. Among the non-Indian companies, again, Australian Offices show a comparatively lower level of expenses than the Canadian. A high expense ratio can possibly be a source of misgivings only in the case of well-established companies operating for a comparatively long time. For a company which is comparatively young or follows an aggressive policy of expansion, a high expense ratio is inevitable and need not cause any misgivings. That is to say, a high expense ratio must be treated along with certain other factors before we can pronounce upon the soundness or otherwise of a company. Where business figures are small, a high ratio is likely, to allow for which premium charges are often loaded. A high ratio, thus, reflects the relatively greater cost of insurance in India.

A word may be said here as to investments. A strong reserve fund is a necessary accompaniment of investments and it is a sound principle of insurance which considers *capital profits* on investments as purely fortuitous and credits them as a surplus reserve. The necessity of this course has been borne out by recent experience due to the fall in the prices of securities. It may be remembered that there was a huge outcry among insurance offices due to the heavy depreciation of securities. The reason was the fact that almost all the Indian Life Offices had made considerable investments in gilt-edge. This was also the experience of the Australian Offices which had considerable investments in securities, and of the Sun Life of Canada which held a high proportion of its assets in American common stocks. The British Offices came off better in this respect. It is a common practice with them to conserve all capital profits and to limit bonus distributions to trading profits only, that is, profits arising out of increased income from interest, and reduction of mortality and expenses, and excluding profits from investments. The company which makes large investments either in house or landed properties or loans on mortgages of properties is enabled to withstand better than other companies the stress of the depreciation of the gilt-edge, but is rendered susceptible to fluctuations in the value of real property. Taking all things into consideration, we cannot lay down any rule of thumb by which we can judge upon the soundness or otherwise of any particular policy of investment. We can say only this much, that having regard to the present temper of the Indian public, investments in gilt-edge are commonly considered to be, and, in fact, they often

prove to be, the soundest of investments.

There may be as many kinds of insurance as there may be risks to cover. In India, it is life insurance which has made the utmost progress. A brief enumeration of the various directions in which insurance has provided a cover will show the general backwardness of India in these respects. Apart from the big risks covered under life, fire and marine insurance, all sorts of minor risks have been covered by suitable schemes of insurance. Some of these are mentioned below.

ACCIDENT INSURANCE

This includes "accidents-only" policies, accidents and specified diseases policies, accidents and all sickness policies, sickness indemnities, and health-insurance (American). The premium rates are governed wholly by the nature of the occupation with a basic rate to cover general hazards of life. These kinds of insurance have made the greatest progress in Great Britain, America and Canada.

AGRICULTURAL INSURANCE

It covers the risks of growing, harvesting, and storing crops; animal diseases; *plus* those which are commonly covered by ordinary life, accident and property insurance. In America, for instance, there is liability to enormous losses on account of windstorms and tornadoes. In India, too, there is the chance of the failure of the monsoons, or in the low-lying areas, of floods. In the United States, the total of the hail risks carried by Insurance Companies and State insurance departments exceeded 560,000,000 in 1919 and in Canada, the total risk borne by the

Hail Insurance Board during the years 1919-22 amounted to \$72,000,000. We have done little in India in this direction.

CREDIT INSOLVENCY OR BAD DEBT INSURANCE

This is of a comparatively recent origin even in Europe. Credit policies only indemnify an insured person for losses due to the insolvency of his customer. Bad Debt policies are issued to traders either as regards a single transaction, in respect of an open account, or on the basis of an annual turnover. It is a necessary cover not only for the big merchant but also for the small trader whose capital resources are not strong enough to withstand the slightest element of risk or loss of capital. Even individual bills of exchange may be guaranteed. Credit insurance has been highly developed in the United States.

ENGINEERING INSURANCE

It guards against the possible breakdown of a machinery, and is a necessary development of the Factory Act provisions for the periodical inspection of all boilers under pressure and for the institution of inquiry to locate responsibility in case of an explosion. Engineering insurance at present guards not only against the explosion on boilers but against all classes of plant working under pressure. Such are lift accidents, collapse of cranes, breakdown of gas, oil and steam engines, and in many cases the risks covered include loss of time due to the accident. "Safety engineering" has made great progress in America and has been employed to guard against even minor matters or losses.

FIRE INSURANCE

It is a contract of indemnity in case of fire, provided, of course, there is insurable

INSURANCE IN INDIA AND ABROAD

interest in it. There are nine Indian companies writing fire and marine insurance with a premium income of Rs. 51.74 lakhs in 1929 as against the total of Rs. 3 crores (approximately) for Indian and non-Indian companies. These figures refer, of course, to Indian business only. The total premium income of Indian companies, including foreign receipts, is over Rs. 135 lakhs. Fire insurance is only about 30 years old in India, so far as the majority of Indian companies are concerned, whereas it began as early as the 17th century in Great Britain. British companies do not, as a rule, take up fire insurance as an exclusive line. London is a large market for foreign fire insurance of all kinds. In the United States, fire insurance is controlled by the States Government and the supervision extends even to rates of premium to be charged.

INDUSTRIAL INSURANCE

This kind of insurance is specially suitable for small amounts, premiums being payable weekly to collectors appointed specially for the purpose. In Britain, the tables are based on weekly premiums of one penny or multiples thereof, with the amount of corresponding assurance shown against such premiums for different ages. In that country, the total sum assured in this manner was calculated in 1926 to exceed £1,000,000,000 the average value of each policy being £14 or thereabout. In America, in the same year, the total sum assured exceeded \$14,000,000,000 the average value of a policy being about \$182 only. The institutions transacting such kinds of business are generally subject to stringent legislative restrictions.

UNEMPLOYMENT INSURANCE

This is comparatively a recent development of the business of insurance. It is a specific development of trade unionism rather than of insurance proper. There has been some unfruitful thinking in India on this subject specially in connection with middle class unemployment. There must be an insurable interest, workers must belong to a particular trade and must have held some occupation belonging to the trade for some time and paid a fixed number of premiums before they can be eligible to the benefits of the scheme. A recognised trade union is almost a condition precedent for the institution of a scheme of unemployment insurance for any particular trade. A man who has never had any employment, or held a number of employments intermittently with fairly long intervals, cannot obviously establish any insurable interest or be eligible for any unemployment benefits. It is, of course to be understood that there are many trades, callings and occupations which, having regard to the conditions of the present, might usefully be brought under a scheme of unemployment insurance.

MISCELLANEOUS INSURANCE

Even a brief enumeration of the forms of insurance, such as the above, will reveal the value, scope, and possibilities of insurance in India. As I have said, there might practically be as many kinds of insurance as there are risks to cover. A celebrated dancer may insure her toe, Charlie Chaplin might insure his trousers, Harold Lloyd his spectacles, and Milady can take an "all-risks" policy covering my ladyship's jewellery, furs and what not. Cash may be insured in

transit, a private dwelling may be insured against burglar, plate glass against the street urchin, and household valuables against the vermin. Motor car insurance has become a major industry, and third party risks are a very common insurable feature in many countries. Japan might find something useful in earthquake insurance, while the premium charged on baggage insurance is such a trifling sum that only a confirmed optimist can afford not to pay it. This list is big as it stands and yet I have not referred, chiefly for want of space, to rain insurance, riot and civil commotion insurance, etc. In fact, it seems that an enterprising company taking up some of these minor lines just mentioned can do a lot of business in India.

It is time for me to conclude. I hope I have established by now the thesis that it is necessary to popularise the cause of insurance in India and that there is yet a large field awaiting development to Indian enterprise. A well-organised publicity campaign is necessary. Both the Indian Insurance Institute and the Indian Insurance Companies Association are doing right work in this direction. Publicity and propaganda are essential, but ill-conducted publicity and propaganda, playing merely to the gallery, can do as much harm as a well-conducted and discriminating campaign can be of use to the community. While on this subject, I might be allowed to give expression to my sense of pleasure at the very good work which is being done by the Insurance Journals in India in educating the officers

and agents of Insurance Companies as well as the lay public in the right principles and fundamentals of insurance.

In fact, all things considered, we have every reason to be hopeful for the future. In the West, life insurance is about four centuries old, and its present position is due to centuries of experiment and progress. Historically, marine risks had been the first to be covered, and references to it might be found as early as the middle ages, that is, about seven centuries back. The first English Statute on "assurance" which appeared in 1601 dealt with marine risks. In India, on the contrary, marine insurance, like fire insurance, came in much later, and the market was completely dominated till recent times by non-Indian companies. The Triton, the first Indian Company to be started to deal with fire and marine risks came into being in 1850, the second being the Indian Mercantile which was established in 1907. The Indian Life Offices also are hardly much older. The Bombay Mutual was established in 1871, the Oriental in 1874, the Empire in 1897, the Hindusthan in 1907. A great many of the Insurance companies started operations in the last few years, and the progress which they have already achieved in the course of this short period reflects great credit on this enterprise and promises a still brighter future. The Indian public and businessmen should make it a point to encourage enterprise of this sort, and, as far as practicable, to place all kinds of their insurance with the Indian firms.

The Cinema in India

By DR. SASIHADHAR SINHA, B. Sc. ECON., PH.D. ECON. (Lond.)

For good or bad the cinema has established itself in India. To those who compare their experiences of some years ago with those of to-day, this has come as an agreeable surprise. The Indian city-dwellers, at any rate, have become definitely film-conscious. This change is, of course, primarily due to the growth of an indigenous film industry which mainly caters for the illiterate masses. Latterly the coming of the 'talkie' has given fresh impetus to the process. The difficulty of following the captions, which always detracts from the full enjoyment of the films, no longer remains a barrier to the unlettered Indian audience. It is obvious that in a vast country like India, the possibilities of the film, both as a medium of enjoyment as well as culture, are almost unlimited.

As a rule, any change of social habit is looked upon with suspicion. To be sure, the majority of the films shown in India being of European, or rather American, origin, this new form of common enjoyment is doubly suspected. Among conservative Indians, the impact of alien ideals on Indian society is viewed with concern, while among a section of Europeans these films, in particular those dealing with sex, are considered to lower Western civilisation in the eyes of the native population. Some years ago, a well-known Bishop put the matter thus : "The majority of the films, which are chiefly from America, are of sensational and daring murders, crimes and divorces, and, on the whole, degrade the white women in the eyes of the Indians." Obviously, both these views are exaggerated.

In the first place, it will be evident to any casual observer (and this view has been confirmed by an official report) that the bulk of the Indian audience shows a distinct preference for their own films : and, secondly, the kind of western films, which commands the greatest attraction, are usually those with an abundance of action in them. The spectacular and the comic will always draw a large house. Douglas Fairbanks, Charlie Chaplin or Harold Lloyd are as well-known in India as elsewhere. It is said that one of the most popular films "ever shown in India was the 'Thief of Baghdad' with Douglas Fairbanks in an oriental setting." In short, the more complex films with sex dominating have in themselves no special appeal for the ordinary Indian film fan. As the Indian Cinematograph Committee (1927-28) pointed out, with the Indian audiences all over the country, 'the play is the thing.' Indeed, when a sympathetic cord is touched, they respond as heartily as any other similar crowd. Nor is race or creed a barrier. The same report mentions an interesting incident which took place some years ago in a cheap Madras cinema. In the film showing, a white woman is the victim of a gang of oriental crooks. It was evident from the outset that the sympathies of the audience were with the white heroine, and "on one occasion, when the screen showed the heroine about to fall into the hands of her Oriental persecutor, an excited voice cried out in Tamil : Look out Miss, look out !"

Notwithstanding the enormous increase

in the cinema-going public in India in recent years, the cinema has reached but the tiniest fraction of the teeming millions of this vast sub-continent. The majority of the picture houses are still confined to the "key cities" like Bombay, Calcutta or Rangoon; the other towns are only indifferently served, and the rural areas are scarcely touched at all. In 1927, for instance, there were only 309 cinema houses in the whole of British India; that is to say, India had only one cinema for every 802,589 of her population. In the same year, Japan had 1,052 cinemas. According to a recent source of information, the number of cinemas in India has grown to 650, of which nearly 100 are 'talkies'—an increase of over one hundred per cent.

The demand for indigenous productions is steadily growing, but their supply lags behind. Roughly speaking, Indian films alone are able to meet only a quarter of the total demand, although it is unanimously agreed that, even under present conditions, there remains ample scope for expansion of the home production. In this respect, the example of Japan is instructive. In the course of the last decade she has built up a flourishing cinema industry which now supplies not less than three-quarters of her home demand. The obstacle in the way of a more rapid development of the Indian film industry are many. For one thing, the lack of finance is paramount. The want of experience of film production is also a serious drawback. It becomes clearer every-day that public taste is undergoing a rapid change, so that, unless the quality of the films improves the demand for indigenous products cannot be maintained, far less increased. This remark is of course of particular application to the more cultured,

and consequently more fastidious, section of the public. Then come the linguistic and cultural differences between the various provinces. The advent of the 'talkie' has brought the former difficulty into sharper relief. On the other hand, certain films which appeal to one religious community will not appeal to others. While there are films which have only a limited appeal to particular provinces and not outside them. In the latter respect Burma provides an extreme instance. "The commonest type of Burmese film is a kind of fairy tale with a lavish indulgence in the supernatural and a variety of demons." At the other end stands Bengal with its films of modern social life. Bombay occupies an intermediate position. The films here tend to be a crude imitation of the occidental films, both in theme and presentation. The Indian Cinematograph Committee stated: "The vernacular literature of Bengal is of course peculiarly rich, and the Bombay producer has not the same literary resources to draw upon." Another difficulty arises from the dearth of women willing to take up film-acting. Of late, the entry of Anglo-Indian actresses into the profession has partially solved the difficulty, but signs are not wanting that among better class Indian women too the prejudice against professional acting is beginning to wear off.

It is clear that the main requirements of the Indian cinema industry are capital and the knowledge of film production. With the former coming forward the latter difficulty is not insuperable. But there still remains the problem of reaching the wider public. The erection of cinema houses in smaller towns and the greater encouragement of travelling cinemas for the rural areas are possible remedies, which again shows that the crucial problem is one of finance.

Can a Shareholder be Expropriated?

A SURVEY OF THE LEGAL POSITION

BY PRINCIPAL SOHRAB R. DAVAR, *Barrister-at-Law*.

In view of the recent resolution passed at the Extraordinary Meeting of the Shareholders of the Central Bank of India, Ltd., in Bombay, by which the Bank has taken power for a short period under which it can by a majority of not less than three-fourths of members entitled to vote as are present in person or by proxy at a General Meeting of

whichever may be the higher, it would not be out of place to consider the cases and authorities of interest that have dealt with similar Articles in England.

There can of course be no doubt on principle that if a shareholder has been persistently acting in a manner detrimental to the interests of the company as a whole he should not be allowed to carry on any further as a member, but in order to be able to do so special powers must be given by the Articles of Association of the company concerned by which he can be expropriated or expelled. In connection with this special power the special difficulty which arises is that the shareholder has vested property rights in the company which rights he has acquired under the constitution of the company existing at the time when he joined the same. The constitution here represents of course the Memorandum and Articles of Association of the company concerned. Where the Articles of Association of a company from the very inception contain a clause by which a company is permitted to expropriate the shareholder without legal malice and on the simple ground that it is necessary to do so in the interest of the company as a whole, there has not been much difficulty in getting the Court to agree to such an action (*Phillips v. Manufacturers Securities Ltd.* (116) L. T. 290).

When however Articles as originally framed do not contain the power to expro-



Principal Sohrab R. Davar

which notice specifying the intention to propose the resolution has been duly given, determine that it is necessary for the safety of the company or for the protection of the interests of the company that a member be required to sell and transfer the shares at a valuation which may be either the market price or the paid-up price of the shares,

priate and such power is sought to be taken by an amendment of the Articles, the question becomes a little more difficult. In this connection there have been many cases the earliest of which is that of *Allen v. Gold Reefs of West Africa Ltd.* (1900) 1 Ch. 656. This case is most important because here Lindley M. R. in the course of his judgment laid down the most important principle which has been studiously followed in subsequent cases. Whilst speaking of the general power of a company to alter its Articles His Lordship states that :

“I speak hereof, generally, and without reference to any particular case, the section clearly authorises a limited company, formed with Articles which confer no lien on fully paid-up Shares, and which allow them to be transferred without any fetter, to alter those Articles by special resolution, and to impose a lien and restrictions on the registry of transfers of those Shares by members indebted to the company.

But then comes the question whether this can be done so as to impose a lien or restriction in respect of a debt contracted before and existing at the time when the Articles are altered. Again, speaking generally, I am of opinion that the Articles can be so altered, and that, if they are altered *bona fide* for the benefit of the company, they will be valid and binding as altered on the existing holders of paid-up Shares, whether such holders are indebted or not indebted to the company when the alteration is made.”

It will thus be seen that the principle enunciated is that the Articles can be altered provided the alteration is *bona fide* for the benefit of the company. It was further laid down that the Articles of Association of a Joint Stock Company are alterable by a special resolution according to the provisions of the Companies Act and a shareholder buys his shares fully aware that they shall be so

altered. Thus where the alteration is sought to be effected for the sole benefit of the company and *bona fide* he has no reason to complain. In a latter case, *vis.*, *Brown v. British Abrasive Wheel Co., Ltd.* (1919) 1 Ch. 290, where the company was in great need of further capital and the majority representing 98 per cent of the shares were willing to provide this capital if they could buy up the 2 per cent minority. This minority would not sell their shares by agreement and when the company proposed to alter its Articles with a view to expropriate this minority by buying over their shares, it was held that under the circumstances the proposed Article was not just or equitable or for the benefit of the majority and thus it was not an Article which the majority could force on the minority under the relevant sections of the Companies Act. Whereas in one other private trading company in which the majority of shares were held by the Directors a Special Resolution was passed to alter the company's Articles with a view to require any shareholder who competed with the company's business to transfer his shares at their full value to nominees of the Directors, the Court held that such a resolution was passed *bona fide* for the benefit of the company as a whole and was therefore valid and enforceable by the majority against the minority. (*Sidbottom v. Kershaw Leese & Co., Ltd.*, (1920) 1 Ch. 151).

In a later case, *vis.*, *Dafen Tinplate Company v. Llanelli Steel Co., Ltd.*, (1926) 2 Ch. 121 the alteration was refused because it was thought by the Court that the resolution which was sought to be passed was unrestricted and unlimited ; because the company here was to be given the power to

compulsorily acquire shares of any member as they should think fit at the share value to be fixed from time to time by the Directors. Paterson J. giving judgment stated that such a wide and unlimited power was detrimental to the company's interest and therefore could not be *bona fide* genuinely for the benefit of the company as a whole. The power here sought was to be exercised at the will and pleasure of the Directors and was thus thought to be very highly objectionable.

The last case decided on this subject was that of *Shuttleworth v. Co. Bros. & Co., Ltd.*, (1927) 2 K. B. 9. Here the principle enunciated by Lindley M. R. in *Allen v. Gold Reefs of West Africa Case* cited above, was reiterated by the Court of Appeal and it was further laid down that it was for the shareholders and not for the Court to say whether an alteration of the Articles is for the benefit of the company provided that it is not of such a character as that no reasonable man could so regard it. Here all that was to be sought was to alter the Articles with a view to take powers to remove a Director under certain circumstances. This being a private limited company the Directors were life Directors removable under certain specified conditions and the Articles of Association sought by an amendment to add a new condition of such a removal. The alteration was allowed because it was held to be *bona fide* for the benefit of the company and it was further held by the Court that the alteration did not constitute any breach of contract. Further that there being no evidence of bad faith there was no ground for questioning the decision of the shareholders that the alteration was for the benefit of the company.

With reference to this question a note by Mr. A. F. Topham, K. C., in Palmer's Company Law (15th Edition 1933, page 15) is rather pertinent which we quote as follows:

"It is submitted that it is difficult to accept as the test of validity the benefit of the company; for it may be said that the company is composed of its members, and a benefit to the majority of members is a benefit to the company as a whole. The true view would appear to be that the benefit must be a benefit to the company as a trading entity irrespective of who are the shareholders. If this view is correct, the scheme in *Bourn v. British Asiatic Wheel Co.* would appear to have been for the benefit of the company. Ashbury J. held that it was not *bona fide* because oppressive and unfair to the minority, but this decision was apparently based on the idea that expropriation is in itself oppressive, and, if so, would appear to be inconsistent with *Sidbottom v. Kershaw, Lee & Co.*"

Summing up all these cases the result is that a company which seeks to alter its Articles with a view to take powers to expropriate a shareholder must satisfy the Court that this power is being exercised *bona fide* for the benefit of the company as a whole and not only for the benefit of the majority. This much protection, therefore, which the law has given to the shareholder concerned is no doubt just and equitable and cannot be said to be harsh or likely to do any injustice to the company. At the same time a shareholder cannot expect that because he holds a number of shares in a company he can so behave as to make his continuance as a member against the interests of the company as a corporation, and still be immune from being expropriated or expelled by his brother shareholders through the exercise of a special power conferred on them by the Articles of Association of the company.

Life Assurance Publicity

By B. C. RAY

The object of all kinds of publicity is to help the salesmen to sell. Advertisement has established beyond doubt its great efficacy as a salesfactor. In this regard insurance business is no exception, and though advertisements in this business are mainly directed towards the production of new business the retention of old business is also secured by this method. In order to obtain maximum results insurance offices of any standing must employ experts - publicity-minded insurance men to devote their energy and resourcefulness to create insurance consciousness in the minds of their prospects. Such work cannot be left any longer in the hands of dabblers in advertisement.

Though in essentials insurance publicity must follow the rules arrived at, as a result of long experience, by other kinds of publicity, it has its own problems which must be kept in the forefront. In commodity advertisement, dealers have fewer opportunities to remain in touch with their customers after the sale is closed, so that all their arts and crafts are directed to attract customers for the first sale. Not that every effort is not made to retain customers through the selling agents, but as the latter cannot be depended to keep in touch with them, the commodity producers have to depend on extensive name publicity, a costly affair, in order to retain their customer. But in the insurance business a complete grip on the customers can be kept through the agents and through office circulars. Provided the treatment of a Life Office towards its policy-holders is straight-

forward and sympathetic, a person who is once a policy-holder will ever remain one and when he can afford a fresh assurance he will consult the company of his first choice.

The old aristocrats of insurance offices, those that were prepared to grant assurance rather than *seek* assurants are extinct. Now-a-days all offices are striving by every legitimate and sometimes doubtful means to persuade the public to insure with them. It is not enough, however, only to keep on advertising their status. When any commodity is put on the market the producers have to dwell on its utility and service. Insurance prospects, similarly, may expect to know something of the contents of the policy they are asked to buy. They may even like to see a specimen. Insurance Offices being credit institutions no doubt have to publish figures to convince the public about their soundness and security, but this should not be the whole story. Like other dealers they must say something of their products.

Competition is so keen among insurance companies that the premium rate is no longer the most important item of publicity, the centre of gravity having been shifted to such details, as the bonus prospects, treatment accorded to policyholders, settlement of claims, low cost of management, liberal agency terms, etc. It is therefore, now-a-days wasteful to purchase advertisement space in isolated issues of newspapers and journals for giving publicity to general figure-alone. To be up-to-date it is necessary to

carry on sustained propaganda to inform the prospects about matters in which they are really interested. Lastly it should always be remembered that however perfect the publicity campaign may be it will not bring in the desired result if there is not an efficient office system behind it. It is useless to invite people into the house with promises of a good feast if the housewife gives them a cold reception.

The essentials of all good publicity, (including insurance publicity) are :

- (a) to attract public attention,
- (b) to arouse their interest,
- (c) to convince them of the utility of the thing advertised and,
- (d) to leave a favourable impression on their mind so that when they actually require the thing they may give the first chance to the advertiser.

For the first, the space for advertisement display must be carefully chosen. An obscure place in a newspaper or journal will not catch the eye and the cost of an obscure advertisement is therefore sheer waste. A strong caption, preferably an illustration, is usually the most attractive. For arousing interest, a sub-caption with a sketchy outline of the thing advertised should be sufficient. When the attention is once drawn and the interest aroused, the public will proceed to read the rest to get further information. If the arguments have been carefully chosen, with a clear anticipation of the doubts that may arise in the mind of the average man, it will no doubt convince him and he will feel disposed to buy the advertised kind when he next requires the article. In insurance business the prospect must not be taken by storm, but should be allowed to think out for himself the utility of the policy that is offered to

him : he should be led rather than be dictated to sign the proposal. Unless his decision is arrived at with a clear conception of his requirement he will soon regret his choice after the sale is closed. The story presented to him must be told in a human way. In order to that the writer of the advertisement must be able thoroughly to read the mind of his prospect, to know the sentiments that will appeal to him most. He must have an idea of his ambitions and limitations, his strong points as well as weak. He should not neglect to touch on the paternal instinct, to discuss domestic felicity and dwell on the householder's responsibility towards his wife and children after his death. Insurance advertisements, therefore, must have educative value, and consequently should be issued in series, telling a human story rather than making separate business statements. The series, for instance, may start with an appeal, followed up by an illustration as to utility and cost, and ending with a claim appreciation letter telling how it proved a boon to a certain family. Many such ideas can be developed to suit the constituents of a particular company. Novelty is required in the setting of each copy which should as far as possible be made 'timely' with a reference to current events. All favourable opinions of distinguished personages may be advertised with advantage. Distinguished financial experts may be approached for a visit to the office and their favourable opinions about the efficiency of the business methods may then be given wide publicity.

Taking it for granted that the advertiser has the qualification to anticipate intelligently the market where the commodity is to be advertised and the demand there is for the commodity and *that which is yet to be created*

he must, as a rule take the help of the following media :

(a) Daily Newspapers : If judiciously utilised these are the best means of publicity. Newspaper advertising is, however, a costly business and may lead to large waste if not carefully handled. The display becomes dead matter within a few hours of the publication and, therefore, it must say its say within that short existence. This accordingly calls for exceptional ingenuity on the part of the copy-writer and the layout man. If the caption cannot stand out prominent out of the mass of surrounding advertisements so as to catch the eye of the reader, it is doomed. People do not waste their time to seek out an advertisement. Such appeals as, "Get a grip of the future," "The Rocks of Gibraltar," "Talk it over with your wife" "If the wife knew as much as the widow knows" are usually irresistible. Enquiry coupons should be given with the name and address of the Company. Without knowing full particulars no prospect will go to the length of making a proposal.

(b) Weekly and monthly Magazines : Here the readers are more leisurely and probably more select also. A good copy with edcative touches will be appreciated and eagerly read. A full page advertisement is necessary to ensure full attention. Here each separate advertisement is perhaps more effective than a series, as the continuity is liable to be spoilt by lapse of time between the issues.

(c) Insurance Journals : These should be used more for attracting agents than the insuring public, who are not as a rule their subscribers. Every underwriter is interested in such journals in connection with his own profession and the copy should be so prepared

as to give the prospective underwriter not only an idea of the liberal rates of commission, but also about the attractive assurance schemes, the low expense ratio, prompt settlement of claims, etc., features which will make their work easy for them. A half page advertisement may serve the purpose. A full review of the Company inserted in the page opposite to the advertisement, makes a very effective supplement.

(d) Diaries, Railway Timetables, Directories, etc.

These media are lasting ones, and the copy should accordingly be prepared, both for agents and prospects. Generally a name publicity would be the most suitable having regard to the prohibitive cost.

(e) Attractive Book Marks : These are very good as effective publicity provided distinguished authors are chosen and the best sellers selected.

(f) Where funds are available, journals may be published for the constituents, discussing the progress of the Company, the new schemes introduced, changes in the staff, establishment of a new Branch or Organisation office, extension of the field of activities and such other domestic matters as will interest only the existing policyholders. If the cost is found to be too much, a few pages may be added to the Annual Balance Sheet or other publications circulated among the policyholders, informing them of such matters of interest to themselves.

(g) Show cards may be sent to respectable people and firms to be kept in their office and show rooms, where they would attract the attention of numerous visitors.

(h) Posters : These have proved a powerful sales factor when a company wants to resort to name publicity to keep

the Company constantly in the mind of the public. They are useful both in places where the company is newly extending its operations and also where it is already well-known. Posters are not so suitable for displaying figures. A colour sketch with a human appeal, designed by a notable artist, will go much further in the way of leaving a lasting impression.

(i) Cinemas : The public are no doubt in a receptive frame of mind at a show and will attend to anything that is displayed but here also a human story will appeal to them more than a display of figures. A small drama showing a happy and contented family enjoying the benefits of insurance may be placed side by side with a contrasting one showing the lack of such enjoyment. With proper subtlety and resourcefulness on the part of the playwright the sympathetic attention of the women folk, the bulk of the Cinema patrons may be secured with the prospect of lowering the sales resistance, which mostly comes from them.

(j) Welfare services : Literatures may be distributed to the policyholders on the prevailing diseases indicating simple measures and remedies to cope with them along with elementary instruction in regard to health and hygiene. Free medical aid to policyholders may be arranged in big cities with very little outlay, and considerable advantage, even beyond the publicity.

(k) Canvassing leaflets : To pave the way for the salesman leaflets may be prepared and sent to prospects in advance. The special features of the company, the attractive policy conditions, up-to-date schemes should form the main topics of such literature.

(l) Efficient Agency Organisation : A company may congratulate itself on its

system of Agency Organisation if it can promptly send one of its representatives to attend enquiries from any part of the country. Many things cannot be effectively discussed by correspondence and the more such matters are cleared up beforehand, the larger the number of prospects booked.

(m) A claim paid is a wonderful piece of publicity, specially when it is done with the utmost promptitude and without any harassment to the claimant. Some new business is bound to result from that family or its friends. The local agent should always be instructed to make the most of every such payment.

(n) Service after sale : Very rarely do either the agent or the company remain in active touch with the policyholder after the first policy is secured. They forget that the some old policyholders, if nursed properly, are a potential source of new business, and if they are kept interested they bring in their friends and acquaintances to the same company. They must, therefore, be kept informed of the progress of the company, by sending a copy of the annual balance sheet and kindred publications. Agents should help them in proving their ages, get their policies assigned, secure loans from the company in case of need, and help them in any difficulty they may have with their policies. They should be approached from time to time, specially those of them who have had promotions, for additional assurances and also advised to go in for fresh assurances on the occasion of children being born.

There are a thousand and one ways of conducting Insurance publicity and it is not practicable to attempt to enumerate them all. What I have said above will, I hope, serve as an outline.

The topic will remain incomplete if I fail to touch on one last point in this connection, *viz.* Collective Advertising. The Buy British, Eat more Fish, Eat more Fruits, campaigns have conclusively proved that there is a sound principle behind such collective propaganda. There is no reason to doubt that a "Buy more Insurance" propaganda will have a similar result. The proper body to carry it out is the Life Offices Association.

Of course there are certain disadvantages in this matter which cannot be overlooked. Different offices may wish to lay stress on different kinds of policies. Those with a strong agency organisation may not feel equally interested with those who are not so strongly represented. But even when all this is taken into consideration, the decision cannot but be in favour of Collective propaganda.

AN APPRECIATION FROM ABROAD

The Policy of London, dated April 29, 1933, has made the following appreciative reference to our Review :

"THE INSURANCE AND FINANCE REVIEW of Calcutta has just issued its third anniversary number, quite an imposing book. It is profusely illustrated with photographs of prominent personalities in Indian insurance and includes articles covering a wide range of topics.

This fine publication ranks as the best of the Indian insurance journals and our only criticism is that its frankly nationalistic sentiments donot appear to permit it always to pay adequate tribute to the unquestionable merits of the British and other overseas companies whose operations in India are beneficial and not detrimental to the best interests of the community in that great country." (Italics ours).



Need of Legislation for Fisheries

BY HEMANTA K. SARKAR, M. A.

The rights of cultivators as against their landlords have been safeguarded to some extent at least by the new Bengal Tenancy Act, but there is no law safeguarding the rights and interests of fishermen who form not a negligible portion of the rural population of this Presidency. In consequence of this, the fishermen are subjected to various exaction at the hands of their immediate landlords, but more particularly from those of the middlemen. It is the general practice in all large fisheries that the proprietor in making with fishermen stipulates that the catches should be sold to his nominee only and to no one else. This nominee also pays a heavy rent or present for his privilege. There are also innumerable exactions in various parts of the country under different names. This system has reduced the fishermen to extreme poverty and their condition in every district is most pitiable.

While a member of the Bengal Legislative Council in 1926 I introduced a Bill to regulate the settlement of fisheries and to define and protect the rights of fishermen, sanction of the Governor-General had to be obtained under sub-section 3 of section 80 A of the Government of India Act to the passing of the Bill. As some of the clauses of the Bill affected imperial interests, there was considerable delay and the lifetime of the Council expired. In the next Council, Mr. K. C. Roy Choudhuri, Labour Member, took up the Bill—the Bengal Fisheries Bill, 1930—but he could not also succeed in getting the sanction.

However, the Bengal Fishermen's Union has been carrying on agitation for the introduction of the Bill and it is hoped in the Reformed Council, a member of the fishermen community will be returned and present the Bill before the Council.

Sir K. G. Gupta in the Report on Fishery Matters (1908, pp. 102, 104, see, XII) says that the body of fishermen have legitimate rights, which must be recognized by the State. The rights of labour cannot and ought not to be ignored. Both on account of their numbers, of the households dependent upon them, and on account of the other industries involved in, and bound up with, the fisheries, the fishermen have a recognised claim to consideration. The Permanent Settlement has not stood in the way of measures being taken to regulate the relation between landlord and tenant, various enactments have been passed in the interests of both. The mere fact that fishery rights in some waters have been given to private parties should not be an obstacle to the passing such laws and regulations as are calculated to conserve the fisheries and increase the fish supply of the country.

Mr. K. C. De, I. C. S., in his Report on Fisheries of Eastern Bengal and Assam (1910, p. 73) says that the supply of fish in this province is much shorter than the demand and that this supply is steadily diminishing while the price of fish is increasing. Fish is admitted to be a most important article of diet among the inhabitants of this province, and may be considered to be a necessity and not a luxury.

Mr. De further reports -one factor which operates towards the wholesale measure of all the edible inhabitants of the fisheries is the short term for which they are leased out. The term is too often only a year, which means one fishing season. The lessee, bent on making the most profit within the period of the lease, does not hesitate to capture and kill every fish mature or immature. He admits that many of them would have grown if spared for a year and fetched a many times higher price, but he argues that the benefit of the higher price would have been reaped by the next year's lessee who may not be himself.

Owing to fishermen not owning much land and to the precarious nature of their calling, they have small security to offer, and consequently they have to pay very high rates of interests on the Padma and the Jamuna; the rate is often 75 p. c. for one season and some times more. The poorer fishermen have often to borrow money for their maintenance in the slack season and also for marriages, etc. For these loans they have often to pay as much as 150 per cent per annum. The middlemen are not often in debt, but the actual fish catchers are almost invariably indebted either to the middlemen or to the *Mahajans*.

Mr. De, in concluding his report, makes some pertinent remarks on improving the conditions of fishermen. He says their work is arduous and sometimes dangerous and their profits are largely swallowed up by the middlemen and proprietors of fisheries. It appears to him that the only way to secure that they should reap the full benefit of their labour is to teach them co-operation.

From the Annual Report on the Working of Co-operative Societies in the Presidency

of Bengal (1925-26, p. 18 d), we come to know that on an inquiry made a few years ago into some of the river fisheries in Bengal it was found that in a particular fishery, out of the total catches valued at Rs. 80,000, Rs. 1000 went to the landlord, Rs. 20,000 to the actual fishermen and the remainder to the middlemen. This is a fair index of what is happening in other fisheries. The middlemen, who fatten at the expense of the fishermen, take good care that the latter have no resources left to improve their position and make themselves financially independent.

I do not know how far the newly passed Bengal Moneylenders' Bill will come to the rescue of fishermen. The Bengali adage goes the fishermen has nothing but loin cloth on his body while the *Nikari* has gold in her ears.

I shall now give some of the main features of the Bill. Fisheries are divided into two classes -Government and Private. With regard to the former class, it is proposed:

SETTLEMENT OF GOVT. FISHERIES IN NAVIGABLE RIVERS

(1) All Government fisheries in navigable rivers shall, from the date on which the existing settlements expire, be free, that is to say, they shall not be settled by Government with any person, and no person shall be hindered in the act of catching fish in any such fishery (*cf.* Settlement Manual 1917, 1921).

SETTLEMENT OF OTHER GOVT. FISHERIES

(2) All other Government fisheries shall be settled with a person or persons who are *bona fide* fishermen or with Co-operative Fishermen's Societies. Such settlements shall

be made after adequate public advertisements. The period of settlement shall not be less than three years.

SETTLEMENT OF PRIVATE FISHERIES

(3) No private fishery owned by a proprietor shall be settled with any person or persons except *bona fide* fishermen or co-operative fishermen's societies. The period of settlement shall not be less than three years.

SETTLEMENT OF FAIR RENT OF PRIVATE FISHERIES

(4) Any tenant of a private fishery may, at any time, apply to the Collector or any officer empowered by him in this behalf, for the settlement of the fair rent of the fishery. The collector or such other officer, shall, after giving due notice to the proprietors, settle the fair rent of the fishery, following the principles laid down, for the settlement of fair rent of land in the Bengal Tenancy Act.

OCCUPANCY RIGHT IN FISHERIES

(5) Any tenant of a fishery belonging to Govt. or to any other private proprietor who holds the same fishery without interruption for twelve consecutive years shall acquire a right of occupancy in it and shall not be liable to be ejected except on the ground of non-payment of rent.

ABOLITION OF "VESTED" ASSESSMENT

(6) Any stipulation in any fishery lease by which the tenant is compelled to sell his catches of fish to any person or persons nominated by the proprietor shall be void.

ABOLITION OF ILLEGAL CESSES

(7) All impositions upon tenants under the denominations of Bhasan, Begar, Parghata, Gola, Sarkari, Palataka, Vaiska, Rakh, Bhag, Adi, Minkut, Hashil, Challisha, Jugan, Hazirar fish, Tela, Sadabharta, Iswarbritti, Parbani, Tahari, Khutagari or other like appellations in addition to the actual rent shall be *agat*, and any stipulation or reservation for the payment of any such imposition shall be void. (*cf.* secs. 71 of Act VIII of 1885).

PENALTY FOR EXACTION OF ILLEGAL CESSES

(8) Every tenant, from whom any sum of money or any portion of his catch of fish is exacted by the proprietor in excess of rent, may, within three months from the date of exaction, institute a suit to recover from the proprietor, in addition to the rent or value of what is so exacted, such sum by way of penalty, as the court may think fit. (*cf.* sec. 75 of Act VIII of 1885).

RATE OF INTEREST

(9) The rate of interest on arrear of rent of fisheries shall be 6½ per cent per annum, if not paid at the end of the year and no damage shall be awarded for non-payment of rent in time.

Under the coming Reforms, the list of Schedule Castes includes the fishermen community, who may predominate the whole section if properly organised on professional basis. It may not seem strange if they can snatch away half the seats reserved, *i. e.*, 15 out of 30, for the Bengal Council. If that comes about, it will be plain sailing for a group like this to push the bill on and have it passed.

Insurable Interest and the Act of 1774

BY ANILENDRANATH ROY CHOUDHURY, B. A.

EARLY INSURANCE PRACTICES

In discussing the above subject, to begin with the origin of life assurance would simply be recounting an old and stale topic. On the other hand, it would be a hasty step to go all at once to the Life Assurance Act of 1774 and deal with the various



Anilendranath Roy Choudhury

restrictions the said Act put upon the Life Assurance practice of that time without considering in brief the development of life assurance in England and the peculiar circumstances that led to the enactment of the said legislation.

Leaving out the earliest forms of assurance that were practised in a crude form in the teutonic countries, life assurance policies are known to have been issued even so far back as the reign of Queen Elizabeth. At that time, there were no such things like what we now-a-days know as Life Assurance Companies. The policies were issued by private underwriters and

the contracts were in the form of temporary assurances covering the risk of the lives assured for the very short period of one year. It was not until about a century later that Life Assurance Societies began to be formed with a view to grant life assurance. It was due to the effort of these societies that life assurance gradually began to be better known among the people.

NEED FOR LEGISLATION

Simultaneously with the development of life assurance a malpractice grew up among the people. They began to speculate in lives. The general practice was that "the lives of well-known people were assured for short periods, the rate of premium varying with their reported state of health" or, in other words, people began to gamble in the lives of well-known personages. To put an end to this sort of gambling habit among the people as also to the various evils attending on it, an Act was passed in 1774 by Parliament, called the "Life Assurance Act," commonly known as the "Gambling Act" of 1774.

The main purpose of this Act was to prohibit insurances where the person affecting the insurance has not an insurable interest, and it was provided that it should be unlawful to grant a policy without inserting the name of the person for whose benefit the insurance had been made. That is, the name of the proposer must appear in the policy. The provisions of this Act left the position of husband and wife with regard to each

other unregulated and somewhat anomalous. And the anomaly was regulated, not till a century later by Married Women's Property Act, 1882, and the married Women's Policies Assurance (Scotland) Act 1880. It is not necessary to go into the provisions of these Acts except that they gave husband and wife unlimited insurable interest in the lives of each other.

INSURABLE INTEREST

Insurable interest is such a pecuniary interest in the life assured as would make the proposer who takes out the policy suffer a pecuniary loss through the death of the person. Automatically, the "Gambling Act" put a stop to taking out "Wagering Policies" - policies where the proposers have no insurable interest in the lives assured--so frequently taken out before the passing of this Act.

A person has an unlimited insurable interest in his or her own life for the simple reason that there is no limit to the loss he or she suffers at death. Consequently a person is legally entitled to any amount of assurance on his or her own life.

The position is similar in the case of husband and wife in respect of each other. Here also the loss that each suffers at the death of the other has no limit and, as such the husband can take out policies to any amount assuring the life of his wife and *vice versa*.

The position of parent and child is quite interesting. Here two things have to be taken notice of : firstly, the moral obligation and secondly, the legal obligation of the parent to educate the child. But, moral obligation provides no insurable interest. The parent, therefore, who has only a moral obligation to

educate the child, has no insurable interest in it. But, this moral obligation can easily be converted into a legal obligation, *e.g.*, by the parent giving a bond to the child to the effect that he would spend a certain sum of money on his education and by the child in return agreeing to repay the sum on his attaining age. Thereby, the parent gets an insurable interest in the life of the child and can take out a policy on the latter's life, but only to the extent to which he agrees to spend on the child the case of the parent and the child can also be taken to be a case of vested interest which also provides insurable interest.

The creditor has an insurable interest in the life of his debtor, but only to the extent to which he owes money. If X owes Rs. 5,000 to Y, Y can take out a policy on the life of X of Rs. 5,000 or a little over that sum so as to cover any interest that may fall due. When this policy matures, the money would go to the creditor and not to the debtor. If the debtor dies after having paid a portion of his debts, the creditor is entitled not only to recover the money on the policy but also to sue the debtor's heirs or legal representatives in order to recover the balance of debt unpaid plus interests and charges that may have accrued due. This is because the creditor is not bound to set off against the debt sums which he may receive under the policy minus the premiums.

The surety has also an insurable interest in the life of his principal debtor. If A guarantees to B that C, who owes him a sum of money would pay and in case of C's failure he would make good the loss, A acquires an insurable interest in the life of C and B in the life of A. If A and X stand joint guaranties for C, not only A and X both

get an insurable interest in the life of C and B in the lives of A, and X but also A and X get an insurable interest in the lives of each other.

A trustee has an insurable interest in the estate vested in him. But, in this case, when a policy is taken out and subsequently, the money on the policy is recovered, it does not go to the Trustee but becomes Trust-money.

The question is asked as to whether any valid insurable interest exists in a proposed assurance by :

(a) A plaintiff in a commercial action on the life of the Judge Presiding :

(b) An employer on the life of his Private Secretary. Apparently, of course, both have to be answered in the negative. But, in the first case, the plaintiff may contend that though a new judge would come to assign the case in case of death of the old judge, he will have to undergo some extra cost, a pecuniary loss, on account of the re-hearing of the case by the new judge. This he may cover if he likes. In the same way, the employer may contend that by the death of his Private Secretary, he would suffer a pecuniary loss. Here, the employer will have to prove his contention before he can acquire an insurable interest in the life of his Private Secretary.

QUALIFICATIONS

It has to be observed that insurable interest must exist at the time when the policy is taken out. It is no matter to the policy if the cause through which it was existing vanished subsequently. Thus if A, the creditor, takes out a policy on the life of B, the debtor, and B in time pays out all

his debts to A, that would not make the policy of A on B's life void. The company issuing the policy would have to pay the full value of it on maturity, though the insurable interest may not be existing at that time. Thus, the "Life Assurance Act" of 1774 has been seen in its various aspects and protection it provides to the Life Assurance Companies. But, it has got at least one loop-hole. For example, if a person so desires, he may take out a policy on his own life and after paying the first premium immediately transfer the policy to a third party. But in such cases it may be argued that if the "intention thus to evade this rule can be proved to the satisfaction of the Court, the contract would be illegal."

MERITS OF THE ACT

There can be no denying the fact that this Act came as a great boon to Life Assurance Companies at a critical time and saved them a lot of trouble. But, now-a-days contrary opinions as to the merits of the Act are also known to be held by eminent Insurance experts. Mr. Wm. Penman, F. I. A., holds that even if the "Life Assurance Act" of 1774 was not there, the British Life Offices would not in modern times take up "Wagering Policies." The reason thereof is that people who come up to take out such policies generally select the worse lives from the stand-point of the offices and the "weeding" practice in the present time of Life Assurance Offices would guard their interests much better than the Legislative Act. "The one good which the Act does is that if by some chance a Gambling Policy is accepted through an error, the Act provides a technical escape."

Thirty-five Years of Indian Economic Thought, 1898-1932

By SHIB CHANDRA DUTTA, M.A., B.L.

(Concluded from the previous issue)

1929. Aiyangar, N. S. N. "Some recent Developments in the Theory of Population." (*I. J. E.*)

1929. Altekar, A. S. *A History of Village Communities in Western India.*

1929. Ashokananda (Swami) "*Ring out the Old Ring in the New*" (*Praabuddha Bharata* or Awakened India, Calcutta)

1929. Bagaria, H. P. *The Proposed Joint Central Committee*, a pamphlet.

1929. Batheja, A. R. "Development Finance" (*Ind. Ec. J.*)

1929. Banerjee, P. N. *History of Tariff in India.*

1929. Basu, J. N. "Prospects of Oil Engines in India" (*Indian Commerce and Industry*.)

1929. Biswas, S. R. "The International Bank" (*I. U.*)

1929. Dass, B. "Chlorination of Calcutta City Water" (*Calcutta Municipal Gazetteer*.)

"Fertilizers for India" (*Journal of the Association of Engineers, Calcutta*.)

1929-30. Dey, S. K. "Indian Railways" (*Indian Commerce and Industry*.)

1929. Dey, S. K. "Italy and India" (*I. C. I.*)

1929. Dey, S. K. "Japan's Trade Position with India" (*I. C. I.*)

1929. Dikshitar, V. R. R. *Hindu Administrative Institutions*, Chapter on Finance.

1929. Dutt, S. C. *Colliery Labourers in the Jheria Field* (*J. B. N. C.*) "Tea Industry in Assam" (*I. U.*)

1929. Ganguli, B. "Extensive Cultivation in relation to the Intensity of Population" (*J. B. N. C.*) "Indices of Productivity in Relation to the Problem of Population." (*I. J. E.*)

1929. Ghosh, J. C. "Rent and Law of Revenue in Bengal" (*I. J. E.*)

1929. Ghoshal, U. N. *Contributions to the History of the Hindu Revenue System.*

1929. Jain, L. C. *Indigenous Banking in India.*

1929. Kale, V. G. *Economics of Protection of India.*

1929. Lokhnathan, P. S. *Industrial Welfare in India.*

1929. Madhava, K. B. "Some Recent Contributions to the Wider Theory of Personal Distribution" (*I. J. E.*)

1929. Mukerjee, R. K. "Agricultural Cycles and Sunspots" (*I. J. E.*) *Fields and Farmers in Oudh.* "The Reforms of Indian Land Tenure" (*Ind. J. Ec.*)

1929. Mukhtar, A. *Factory Labour in India.*

1929. Niyogi, J. P. *The Evolution of the Indian Income Tax.*

1929. Pal, N. M. *Some Social and Economic Aspects of the Land Systems of Bengal.*

1929. Panikkar, K. M. *Evolution of British Policy towards the Indian States.* (1773-1758)

1929. Ponniah, J. S. "Organized Banking among the Masses" (*I. J. E.*)

1929. Rauga, N. G. *Economic Organization of Indian Villages.*

1929. Rao, W. S. S. — *Economic Change and Educational Adjustment*.

1929. Roy, N. *Economic Terminology in Bengali* (I. C. I.) "The Post Office Savings Bank and Banking Inquiry Committee" (J. B. N. C.)

1929. Saha, K. B. — "The Theory of Barter and that of Buying and Selling." (I. J. E.)

1929. Sanyal, N. "Indian Railways" (1925-28) (*Cul. Rev.*)

1929. Sarkar, Benoy "Comparative Industrialism and the Equations of Applied Economics" (J. B. N. C.) *Comparative Pedagogics in Relation to Public Finance and National Wealth*. "Insurance as Indian Business" (J. B. N. C.) "French Schools of Agriculture, Manufacture and Commerce" (J. B. N. C.) "The Remaking of the Reichsbank and the Banque de France" (J. B. N. C.) *Vartaman Jagat* (Modern World) Volume on Switzerland, economic chapters.

1929-30. Sarkar, M. N. "The Housing Question" (I. C. I.)

1929. Sen, H. B. "Economic Biographies: in Bengali Watson, Rockefeller, Ford. (*Saharnabank Samachar*)

1929. Sen Gupta, J. N. "Life Insurance in India."

1929. Sen Gupta, Sushama (Mrs) "The Woman and Economic Freedom" (I. C. I.)

1929. Shah, K. T. *Federal Finance in India*.

1929. Sinha, H. — "Marketing of Jute in Calcutta" (I. J. E.)

1929. Sinha, R. "Mofussil Marketing of Jute" (I. J. E.)

1929. Thackeray, Y. S. "Indian Labour Movement" (J. B. N. C.) "Protection for Indian Textile Industry" (J. B. N. C.)

1929. Thomas, P. J. — "The Readjustment of Indian Financial System" (I. J. E.)

1929. Tirumalachar, B. — "Economic Barometers" (I. J. E.) "Fiscal Relations between the Indian States and the Government of India" (I. J. E.)

1930. Ashokananda (Swami) "Facing the Inevitable" (P. B.) "The Economic Views of Swami Vivekananda" (P. B.)

1930. Banerjea, P. N. *History of Indian Taxation*.

1930. Basu, J. N. — "The Krupps: History and Development" (I. C. I.)

1930. Basu, K. C. — "Workingmen's Compensation" (I. C. I.)

1930. Basu, P. "Population and Economic Progress" Bengali lecture in the Proceedings of the Prabasi Banga Sahitya Sammelan, Lucknow.

1930. Bharucha, K. B. — *History of the Cotton Mill Industry in Western India*.

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1930. Bose, S. C. "Economics of the Foreign Trade of India" (I. J. E.)

1930. Chand, G. *The Essentials of Federal Finance*.

1930. Das, R. K. *Industrial Efficiency of India*.

1930. Das Gupta, A. K. "Land Rent in Relation to the Pricing Process" (I. J. E.)

1930. Dey, S. K. — "Banking in Japan" (I. E. I.)

1930. Dey, S. K. "Franco-Indian Commerce" (I. C. I.) "Industrial Disputes" (I. C. I.) "Germany meets India" (I. C. I.) *Short-term Loans* (I. C. I.)

1930. Dutt, S. C. *The Methodology of Research allowed by the Bangiya Dharm-Vijnan Parishad* (Bengali Institute of Economics) (J. B. N. C.) German Works (I. C. I.)

1930. Dutt, S. C.—“The Road Problem in Bengal” (*J. U.*), “Russia’s Gosplan” (*J. U.*)
1930. Gandhi, M. P. *Indian Cotton Textile Industry.*
1930. Ghosh, B. K.—“The Sugar Industry of the World.” (*J. U.*)
1930. Ghosal, U. N. —*The Agrarian System in Ancient India*
1930. Iyer, R. S. Ramaswamy. *Principles of Audit.*
1930. Kaji, H. L. —*Co-operation in Bombay.*
1930. Kale, V. G. —*Currency in Shivaji’s Kingdom.*
1930. Kesaree, M. S. —*Gopal Krishna Gokhale.*
1930. Latif, S. A. *Economic Aspects of Indian Rice Export Trade.*
1930. Mukhtiya, G. C. —*Life and Labour in a South Gujarat Village.*
1930. Pal, M. N. —*The Industrial Development of India.*
1930. Pant, D.—*Commercial Policy of the Moghuls.*
1930. Ranadive, B. T. —*Population Problem of India with Special reference to Food Supply.*
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Without going into a detailed examination of the materials exhibited in the bibliographical data presented above it may be observed that the number of economic journals is yet very small. Essays in general magazines will continue for a long time to come to be a principal form of output in the Indian economic fields.

Besides, uptil now the books bearing on "Indian economics" as a whole or on some of its particular branches, *e.g.*, on agriculture, industry, commerce, finance, etc., have been mainly in the nature of convenient summaries of Government reports such as may be used by University students in order to obtain a knowledge of the present-day facts and their historical development. And the attitude of the summarizers, in so far as it is critical, is, generally speaking, one of opposition to the Government's policies in economic legislation. Perhaps this methodology is on the verge of exhaustion and the intellectuals

are tending to be on the look out for more fruitful and constructive methods of economic investigation, glimpses of which it may not be difficult to find already in the publications of some of the authors mentioned above.

The beginnings of more scientific and objective studies in economic questions, Indian as well as non-Indian, may be expected on a somewhat large scale in the near future.

Abbreviations used.

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|----------------|--|----------------|---|
| 1. D. D. S. M. | <i>The Dawn and the Dawn Society's Magazine.</i> | 5. A. U. | <i>Arthik Unnati. (Economic Progress) Bengali monthly.</i> |
| 2. M. R. | <i>The Modern Review.</i> | 6. J. B. N. C. | <i>The Journal of the Bengal National Chamber of Commerce.</i> |
| 3. I. J. E. | <i>The Indian Journal of Economics.</i> | 7. P. B. | <i>Prabuddho Bharata or Awakened India, monthly in English.</i> |
| 4. C. R. | <i>Calcutta Review.</i> | 8. I. C. I. | <i>Indian Commerce and Industry.</i> |

TIT-BITS

Many a strong resolution becomes weak for want of exercise.

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The progressive man is not content to shut down for to-day until he has opened up prospects for tomorrow.



Suicide Tendencies and Life Insurance

BY MONINDRA MOHAN MOULIK

The problem of an increasing number of suicides in almost every country of the world during recent years is of considerable concern to life insurance companies. Never before life offices have been made to attach more importance to the consideration of moral hazard in the acceptance of risks than during the last two years when suicide figures have reached an inordinately high level. The rise in the suicide rate during recent years is a world phenomenon and historically it may be stated that the rate for 1932 will probably for most countries mark the highest yet attained. Although definite reasons for which suicides were committed could not be accurately measured in all cases, it is believed that the economic depression has been primarily responsible for the increase in death rate on the score of suicide. That the depression sent many men to an extreme desperation culminating in suicide undoubtedly contains an element of truth. The following table shows the average suicide rates for the five year period ending with 1930 in the principal countries.

INTERNATIONAL SUICIDE STATISTICS RATE PER 100,000 OF POPULATION

Irish Free State	3.3
Ceylon	5.2
Northern Ireland	5.4
Spain	5.7
Norway	5.9
Netherlands	6.7

Canada	8.3
Italy	9.6
Scotland	9.8
South Africa	11.2
Uruguay	11.3
England and Wales	12.3
Australia	12.6
United States	13.2
Sweden	14.1
New Zealand	14.8
Belgium	15.2
Denmark	16.0
Finland	16.5
France	19.0
Japan	20.9
Germany	21.5
Switzerland	25.3
Czechoslovakia	27.0
Greece	27.2
Hungary	29.2
Austria	34.5

Thus the range in suicidal frequency is between a minimum of 3.3 per 100,000 for the Irish Free State to 34.5 for Austria. But this scale should not be considered to reveal the degree in which the countries have been affected by the economic depression.

Dr. Frederick L. Hoffman has published several very interesting statistics of suicide deaths in America. The rise in the suicide death rate since 1900 has been from a rate of 15.4 to 21.3 in 1932, reaching a minimum of 12.0 in 1920. The trend of this rate may be briefly indicated here as follows :

* Reprinted from *Insurance World* for August, 1933. —Editor

THE INSURANCE AND FINANCE REVIEW FOR SEPTEMBER, 1933

Year	Suicides	Rate per 100,000 of population	SUICIDES IN SWEDEN, 1860-1928	Rate per 100,000
1900	2,590	15.1	1860—69	8.04
1905	3,560	18.2	1870—79	8.68
1910	4,377	19.6	1880—89	10.34
1915	5,209	20.8	1890—99	12.81
1920	3,399	12.3	1900—09	15.11
1925	4,651	15.5	1910—19	11.62
1930	6,411	19.9	1921—25	14.39
1932	7,083	21.3	1928	14.02

Dr. Hoffman has mentioned ten American cities which had the highest suicide rates in 1932, *e. g.*, Davenport, Sacramento, Seattle, Cedar Rapids, San Francisco, San Diego, Omaha, Denver, Portland, Tacoma. This shows that there is apparently a concentration of suicide deaths on the Pacific Coast. Year after year the Pacific Coast cities show higher rates as to which no satisfactory explanation has yet been forthcoming.

The gravity of the situation will be realised if we take into account the trend of suicide deaths in a few other countries. Some figures relating to suicide statistics obtaining in a few other countries, say, England and Wales, Sweden, Finland, etc., which I am going to place here, would further emphasise the conclusion that the suicidal impulse was never more pronounced throughout the world than at the present time.

SUICIDES IN ENGLAND AND WALES

1860-1930

	Rate per 100,000
1860—69	6.6
1870—79	6.9
1880—89	7.1
1890—99	8.8
1900—09	10.1
1910—19	9.1
1920—29	10.9
1930	12.7

SUICIDES IN FINLAND, 1860-1930

	Rate per 100,000
1860—69	3.65
1870—79	3.08
1880—89	3.93
1890—99	4.77
1900—09	6.55
1910—19	9.31
1920—29	15.19
1930	

Another interesting feature of the trend of suicide deaths is that the craze is more strong in women than in men, although the chances of failure in their attempts at committing suicide are larger in the case of women than men. The leading causes of suicides as between these two groups are supposed to be economic difficulties among men and marital, amatory or domestic discord among women.

These figures merely show the trends of suicides in different countries and the interpretations given to them should not be taken unqualifiedly, or as the last word about them. They point out the vast scope that exists for prophylactic work before the social reformers or national agencies that may offer effective relief to persons in distress from time to time.

Life insurance companies also are highly interested in the development of the tenden-

cies of suicide deaths which vitally affect their financial position. It would be interesting to put in here the number of suicides among the policyholders and the amounts paid in claims in the experience of the Metropolitan Life Insurance Company of New York for 1928-32 : -

Year	Suicides	Amounts paid
1928	2,138	8 2,990,468
1929	2,622	3,359,411
1930	3,167	4,993,522
1931	3,301	6,501,254
1932	4,551	7,421,606

From this it will be seen how insurance companies are involved in the trends of suicide deaths reacting heavily as they do, on the financial position of the company. Mr. R. W. Shackelford read an interesting paper a few months back on the *History and Legal Aspect of Suicide* wherein he suggested the following remedies that an insurance company might adopt against this hopeless craze for self-destruction. First, by greater selectivity of risks, particularly in the large policy-class. Psycho-analysis should prove helpful in detecting types pre-disposed to suicide. Secondly, assureds should be given a much smaller policy target at which to shoot. The suicide and incontestable clauses should be extended to two years : in all policies having shorter periods, where not prohibited by statutes, a further extension of the suicide clause, not to exceed five years,

should prove beneficial. Thirdly, the enactment of further and more wide-spread legislation excluding the defence of suicide and more drastic judicial pronouncement as to what is suicide and what is insanity.

These constitute, at least for the present state of things, an ideal combination of safeguards which the insurance companies may adopt in order to lessen their risks. As to the other part of the thing, namely, devising ways and means for bringing about a lower rate of suicide deaths, we are not in a position to suggest any panacea, any more than what we have already suggested in the establishment of national agencies giving succour to distressed persons from time to time. The primary object of such work ought to be the bringing about of a change of outlook in the national mind and the introduction of a propaganda against the commission of suicides.

It is unfortunate that no Indian company has as yet published separate statistics as regards their mortality experience with reference to suicides. We may suggest that the publication of such statistics by the big Indian companies will enable them to ascertain their own position as well as to determine the extent to which the mania for suicide has got the better of those of our countrymen who have sustained nervous breakdown. It is also important to know our international position in this respect, because we can no longer afford to ignore these tendencies in other lands and rejoice in isolation.

EUROPEAN INSURANCE INTELLIGENCE

German Motor Insurance---The New Obligatory Tariff

Further to our recent publication dealing with the above tariff we can now give some further comments on this tariff which has now come out definitely and is in force from the first of July a. c.

In order to illustrate the reductions resulting to a large extent through this tariff, especially for the smaller cars, a confrontation is given hereafter of the premiums paid up till now and those of the new tariff for different types of motor-cycles and motor-cars :

Motor-cycles under 100 ccm

" " up to 200 ccm

" " above 200 ccm

Motor-cars of 18 Ps

" " 26 Ps

" " 32 Ps

" " 50 Ps

" " 75 Ps

" " above 90 Ps

	Premium paid up till now :	Obligatory Premium
1. Third Party :	Rm. 18.-	15.-
2. Casco :	" 80.-	40.-
1.	" 36.-	30.-

	Premium paid up till now	Obligatory Premium
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2.	" 135	80
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1.	" 51	15
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2.	" 108	100
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1.	" 120	100
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2.	" 250	190
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1.	" 120	110
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2.	" 210	230
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1.	" 176.40	110
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2.	" 381.70	280
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1.	" 195	180
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2.	" 292.50	310
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1.	" 210	200
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2.	" 190	100
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1.	" 255	250
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2.	" 600	520
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However, contrary to the former tariff provided one can speak of a tariff at all the new tariff is abolishing some special favours.

For voyages in other European countries there will be an extra premium of 10 per cent and for voyages in Russia and the Balkans 15 per cent.

Furthermore no Insurance Company has the right any more of granting an allowance for the period when the car was laid up temporarily in such a way that the insurance contract was simply prolonged for this period.

Through the new tariff the additional charges for payment of premiums by insalments have also undergone a change.

Formerly these additional charges were 5 per cent for quarterly payment, whereas these are now 8 per cent and 5 per cent for half-yearly payment.

For short-term contracts the following premiums are to be paid :

up to 1 month	$\frac{1}{4}$ of the premium per year
up to 3 months	$\frac{1}{2}$ do.
up to 6 months	$\frac{3}{4}$ do.
over 6 months	the full premium per year

On account of the bad experience made with tractors as well as with the insurance of the passengers against accidents premiums for these risks have been increased by the new tariff, *i.e.*, in many cases up to the double.

German Fire Losses

Fire losses sustained last May by the Companies belonging to the "Association of Private Fire Insurance Companies in

Germany" amounted to Rm. 5,090,000 on the whole as against Rm. 5,500,000 for May 1932 and Rm. 7,030,000 for May 1931. and Rm. 5,550,000 for May 1930. The total amount of fire losses sustained during the first five months of this year is, therefore, Rm. 29,440,000 as against Rm. 35,750,000 for the same period in 1932 and Rm. 38,830,000 for 1931 and 38,770,000 for 1930 and Rm. 61,940,000 for 1929.

German Aviation Accidents

According to the report published recently by the "Deutsche Luft Hansa" regarding the results obtained for 1932 there is to be stated a further increase in the security in air traffic. Against an average increase per year in the regularity of traffic from 93 to 96.7 per cent *i.e.* by 11 per cent there stands on air passengers accident only per 3.5 millions km. against 2.5 millions km. in the preceding year.



CURRENT TOPICS

Mr. N. R. Sarker on the Reserve Bank of India

Presiding at the second quarterly general meeting of the Bengal National Chamber of Commerce in Calcutta, Mr. Nalini Ranjan Sarker devoted a considerable part of his address to a criticism of the proposals of the Indian Reserve Bank Committee which were recently made public.

Mr. Sarker pointed out that there was some divergent opinion in India on the question of the capital and ownership of the bank. A strong section of commercial opinion had advocated a purely State-owned bank following the example of some foreign countries and in order to ensure complete public control and prevent undue sectional influence. But a shareholders' bank commanded more general support. The strongest argument urged against a State bank was that it was dangerously amenable to political influence. It was not however to be regarded as an irremovable drawback and, as a matter of fact, the Governments and legislatures in some countries had imposed upon themselves restrictions in the nature of a self-denying ordinance to ensure efficient and non-interfered operation of such banks. Mr. Sarker favoured a Reserve bank on a share basis.

The proposals, he said, were defective in that they did not contain a definite provision ensuring the ownership of a minimum proportion of shares by Indians and a minimum percentage of Indians on the directorate. In his opinion not less than three-quarters of the shares and not less than three-fourths of the total number of directors should be reserved for natural-born Indians. Even in countries where the possibility of

foreigners acquiring control over their central banks was remote such restrictions had generally been imposed by statute. In a subject country where the danger was more real such provisions were imperatively necessary.

Discussing other features of the proposed bank Mr. Sarker said the constitution of the Board is open to objection on some important grounds. While eight directors are to be elected by the shareholders, the Governor-General is empowered "at his discretion" to nominate four directors in order to guarantee the representation of interests like agriculture. While the necessity for ensuring the representation of special interests is admitted, one fails to see why the Governor-General should be considered the only competent person for achieving it. In the representative Government of the future such functions should naturally fall within the province of the responsible Finance Minister. The four directors representing special interests should therefore be nominated by the Governor-General on the advice of the Finance Minister as also the Governor and Deputy Governors.

Mr. Sarker continued :

The provisions regarding the exchange obligations of the Bank will hardly satisfy the Indian commercial community. The Committee apparently adhere to the policy of exchange stability, and as the *de facto* ratio at the time of the establishment of the Bank which is recommended for adoption, is not likely to be different from what it is to-day, the conclusion is inevitable that the Committee as a body advocate the continuance of 1s. 6d. ratio. The exaggerated regard for exchange stability to the exclusion of other considerations which has been the outstanding feature of the

Government's policy is in most countries of the world a discredited theory. Without minimising the importance of a fairly stable exchange ratio especially for a country which has extensive foreign trade relations and heavy foreign obligations, I feel that the Government of India have erred grievously in ignoring the more important consideration of internal prices.

"If we admit that the price level is more important than the ratio of exchange, the proposal of the Reserve Bank Committee to adhere to a fixed ratio (which would almost inevitably be the present ratio) appears to be unsound, because we have found by experience that its maintenance not infrequently forces us to adopt measures which have serious repercussions upon internal prices."

The most retrograde feature of the new proposals, he contended, was that the Finance Minister did not come into the picture at all. That the future Minister should be required to manage the finance of the Federation without some real influence over the Reserve Bank was very surprising.

Mr. D. P. Khaitan on Unemployment Problem

The raising of agricultural prices and the starting of middle-sized and cottage industries were among the remedies suggested for the middle-class unemployment problem by Mr. D. P. Khaitan, presiding over the All-Bengal Unemployment Youths' Conference at the Albert Hall, Calcutta.

After estimating the educated unemployed in Bengal at one lakh, Mr. Khaitan discussed the remedies and pointed out that the first and immediate necessity was to double the prices of agricultural commodities. This, he maintained, could be effected by bringing down the exchange ratio of the rupee to 9d. instead of maintaining it at 18d. When the price of agricultural produce had doubled, trade would become brisk, there would be employment for more people and many industries could be successfully started.

Referring to his second remedy, namely, the starting of middle-sized and cottage industries, Mr. Khaitan said :

It is quite true that large scale industries have so far been of great help to the country by keeping out imported goods and by keeping the country's money within itself. But large scale industries are beyond the means of the masses and of those that are unemployed. The problem of unemployment can perhaps be best solved, and the standard of living of the masses can be best increased, if they can manufacture their own goods. It, therefore, follows that large scale industries in India should be supplemented by middle-sized industries and cottage industries. In the past, however, cottage industries have had a tendency to decline.

GOVERNMENT'S HELP

It is a good sign that the Government of Bengal have realized the importance of this subject and have made a beginning in a small way to train educated people how to manufacture goods on a small scale.

At the same time, the programme of the Industries Department is much too insignificant as compared to the vastness of the problem that we have to solve. The province requires measures more extensive than what have been adopted and such as would be readily adaptable to the temperament and need of the people. The scheme should embrace within its scope the removal of the difficulties which cottage and small industrialists experience in purchasing materials and selling their goods. It should be capable of being worked in close co-operation with the Department of Industries, Agriculture and Co-operative Organization.

The best method would be to establish central institutions in each subdivision of the province. These should be able to provide work-hops where people may be employed on daily wages and at the same time get suitable training to enable them to start manufactures in their own homes.

SECURING THE FUNDS

"The adoption of a scheme of this character, or any other scheme requires money, and I may again mention that the lowering of the exchange value of the rupee can be helpful. If it is lowered, the Government has to issue fresh currency, which may be issued partly by the purchase of gold (to the extent necessary for the Reserve, *i.e.*, 20 per cent.) and the balance by the purchase of Government securities. Government securities so purchased should be distributed among the various provinces and vested in trustees to be utilized only for the purpose of removing unemployment and increasing the people's standard of life.

The provinces will thus be able to launch with confidence on suitable big schemes spread over a number of years and will sell the Government securities in the market gradually using in the meantime the amount of interest earned.

The Conference passed a number of resolutions based mainly on the suggestions contained in the president's address.

Conservation is Synonymous With Giving Service

The following article written by Mr. A. P. Earle, A. I. A., A. S. S., President and Managing Director of the Montreal Life Insurance Company, was published in the Annual Life Number of *Canadian Insurance*. We hope our readers will find it interesting and useful :

The old rush for new business, which was the predominant characteristic of most life insurance companies, has been superseded in importance by the present almost panicky efforts to conserve business in force. The old problem as to how to increase new business by 25 per cent was child's play as compared to the new problem of how to cut down cancellations by 25 per cent.

The effect of the great depression on life insurance companies has been cumulative, until at the present writing the depression is

hitting the hardest and this despite the growing evidence that the worst is over and business on the up-grade again.

In other days, conservation was largely an effort to collect premiums on existing policies; where a premium was overdue, the policyholder was persuaded to revive his contract. It was a case of selling the business over again.

Today conservation is a complicated procedure. It has become a problem of re-adjustment to suit the changed circumstances of the policyholder. There may be indicated a change of plan, a reduction in amount, a re-dating of the policy, a change in method of premium payments, or a combination of all these things.

A policy loaned up to the hilt is the hardest case with which to deal. If the plan is twenty payment life, a change to ordinary life would reduce the loan and also the premium. If all other means are unavailing, in such instances there remains only to write a new policy, perhaps on a term plan. Every effort should be made to maintain the protection.

The home office can direct conservation efforts, but it remains for the field force to do the actual work. It is difficult to lay down any hard and fast rules. Individual cases require individual attention.

The struggle for conservation should be continuous, everlasting. There should be no slackening of effort. It may have some effect on new business, but in the long run it will pay. The agent's policyholders will know that he takes a genuine interest in them and their affairs, that his interest did not cease when he wrote the policy in the first instance. These clients will remember the efforts of the agent to serve them, and, when they are able, they will take other insurance with their agent, and will recommend their friends to do likewise.

Conservation is of vital importance to the policyholder, to the agent, to the company and to the institution of life insurance. It is of paramount importance. It is of greater importance than anything else.

CURRENT TOPICS

Six months hence, conservation may be less difficult than it is today. But during those six months, every serious life insurance underwriter should devote at least half his working time to conservation, for conservation is but another name for service to clients.

Credit Insurance

The following appears in the editorial columns of the *Insurance and Financial Review* of Toronto for July, 1933.

Credit Insurance is one of the newer forms of Casualty Insurance, and is a subject on which the public in general are not very well posted, and it has not been bought by the public to the extent, we think, which it should be. A recent decision by Mr. Justice Lane in Montreal, throws a little light on the subject, but only from a legal standpoint, and we believe that a fuller knowledge of Credit Insurance will be welcomed not only by agents but by the public in general.

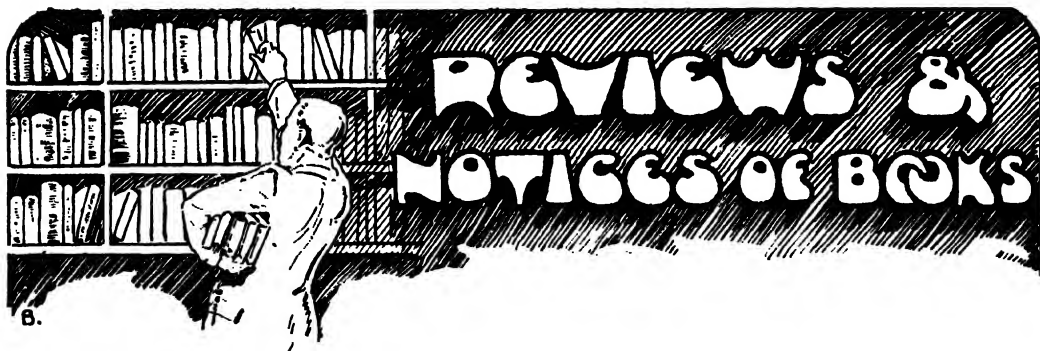
The first question which naturally comes to a person's mind is "What is Credit Insurance?", and we can answer this in the simplest form by stating that Credit Insurance is a protection, at a small cost, against loss and insolvency, or any other risk, which cannot be foreseen by the person giving credit at the time. Ordinary bad debts, of course, are bound to accumulate, but these can be protected against by Credit Insurance.

Then it naturally comes to one's mind, "what type of business is Credit Insurance intended for?" To this we can only reply that there is no business, great or small, which cannot take advantage of the benefits of Credit Insurance and while there are only two or three companies doing this class of business in Canada to-day, they are capable of taking care, we would say, of practically any amount of business that would be offered them.

Then comes the question "What really is a Credit Risk?" To the uninitiated, the first phase that would strike them, would be people of poor reputation, slow pay, or some indication of danger ahead, which might come to a person which he would want to guard against. While a great many business men depend upon reports of mercantile agencies, these are only issued quarterly, excepting a special report is required, and, in these times the question of solvency or insolvency may arise within a week or two, and right now some of your best customers may be on the verge of failure, and it is better to play safe at a nominal cost, than to gamble. It is up to the insurance company, with their sources of gathering information, to do the gambling—that is what they are in business for.

A manufacturer, or trader, might say they can depend on the financial statements of customers as to his condition. With respect to this, it only shows his standing at the time the statement was made, and not his future ability to pay, and it is these future contingencies which should be guarded against, and for which a company doing Credit Insurance is willing to take the risk.

95 per cent of the business of the world is carried on on "Credit" in normal times. Everyone is acquainted with conditions for the past three years, but it looks as though business was on the upturn, and the question of Credit will become more prominent as good times improve. In boom times there is no difficulty in selling goods, or obtaining credit, but we have seen in boom times the advisability of protecting ourselves from over-confidence in the public and their ability to pay. While we believe there is only a very small percentage of the public who are dishonest, there is very large percentage of the public who fail to pay their bills not through dishonesty, but through unfortunate circumstances over which they have no control.



SOCIAL INSURANCE IN 1932. *Published by the International Labour Office, Geneva, 1933.*

This monograph is a reprint of Chapter III of the I. L. O. Year Book 1932 and contains the accounts of the progress of social insurance in thirty-two countries. It is shown in the book to what extent the scope of social insurance has been extended and the amount of existing benefits increased in those countries. Study of the facts incorporated in the book leads one to the conclusion that social insurance is being sorely tried by the effects of the economic depression and unemployment. The institutions are struggling against adverse circumstances and their financial position is becoming very precarious. Legislative and budgetary restrictions are becoming more common and the standard of protection guaranteed for the workers is on the decline. Still, the institutions continue to exist and no important falling-off in their activities is to be noted; in some countries, social insurance has even made definite and sometimes substantial progress.

The critical position of social insurance is merely an aspect of the general economic depression. Increased unemployment, falling wages, reduction of employers' contributions and assistance from public authorities, increased expenditures and similar other causes have check-mated the progress of social insurance in many countries.

India has not been mentioned in the Year Book. In spite of increasing unemployment in the country, the Government have done nothing towards its solution. The Workmen's Compensation Act has been amended so as to bring certain additional sections of workmen under

the scope of the Act and the rates of compensation have been increased.

In *Brazil*, the Act of 1931 for the establishment of a system of invalidity, old age and widows' and orphans' insurance for workers in public utility undertakings, has been brought into force. In *Greece*, an Act has been adopted to introduce a scheme of compulsory insurance against industrial accidents, occupational diseases, sickness, maternity, invalidity, etc. In *Poland*, Parliament has passed an Act to consolidate social insurance, which reorganises sickness insurance and extends invalidity, old age and widows' and orphans' insurance of industrial and commercial workers to the whole Polish Republic. In *Romania*, *Spain* and *Uruguay* the scope of operation of social insurance legislation has been extended. In the *U. S. S. R.* compulsory old age insurance has been extended to new classes of workers.

In *Italy*, reform of accident insurance legislation continues to occupy the attention of the authorities. In *Japan*, the Government is studying a scheme of compulsory invalidity, old age and widows' and orphans' insurance for salaried employees. In *Lithuania* a scheme has been prepared for the establishment of compulsory accident insurance for persons employed in industrial undertakings. In *Luxemburg*, the Insurance Code is in process of revision. In *South Africa*, a special Committee has issued a report in favour of the establishment of a compulsory accident insurance system.

Thus it will be seen that the year 1932, although it has been accompanied by a number of threatening symptoms which it would be vain to ignore, has not been an empty one and goes

to prove that the development of social insurance is by no means at a stand-still and that compulsory insurance is universally considered as an important and essential branch of any social policy.

BANKS AND THE MONEY MARKET.

By Dr. Biswarupa Ramchandra Rao, M.A., Ph.D., L.T., F. R. E. S. (Lond.), Lal Chand and Sons, Calcutta, Pages 251, Price Rs. 2.

This book contains four lectures delivered by the author before the Calcutta Centre of the Institute of Bankers during the winter session of 1930-31 as an honorary lecturer of the same. Dr. Rao is a professor of banking at the Calcutta University and is an acknowledged authority on banking. He has devoted a considerable time to his researches in this field the results of which have been published in two or three books that have been highly spoken of by the scholars as well as businessmen. Dr. Rao is an ardent advocate of gold standard and his suggestions for the improvement of our money market have been largely based upon that assumption.

The author has discussed such a wide subject as banking and money market in a very comprehensive manner and has given references to the whole theory of banking and currency. The author regretted the omission for want of space of many relevant facts in relation to the legislation in vogue in other countries regarding the regulation of banking practices. He has, however, suggested many important and practical ways whereby the drawbacks of our money market may be done away with.

Lectures one, two and three on "The Ideal Money Market," "Expansion and Contraction in the Present-day Currency System," and "Other Monetary Markets" respectively cover the greater portion of this monograph and are devoted to a lucid description of the ideal money market and the features of our money markets. The author's own points of view and original suggestions are contained in the final chapter on "The Ideal Monetary and Banking Standard." Dr. Rao has strongly pleaded for the creation of a bill market and greater participation of Indian joint-stock banks in the foreign trade of

the country. He had always been an advocate for the establishment of a Reserve Bank for India which is going to be established in India.

The get-up of the book is pretty and the price is moderate. We hope students and teachers of economics, businessmen and bank officials will find the book highly useful.

STONE AND COX FIRE AND MARINE INSURANCE YEAR-BOOK, 1933.

Published by Stone and Cox, Limited, Africa House, Kingsway, London, W. C. Pages 821-111, Price 1s. 6d. net.

This Year-Book is one of the very best publications of Messrs. Stone and Cox, Ltd. the renowned publishers of insurance literature in London. Year after year they have been bringing out works of considerable magnitude and worth which have come to be recognised as the most indispensable companion volumes of every insurance man of Great Britain.

The Year-Book contains all the relevant facts and figures in relation to the science, technique and business practice of fire and marine insurance. Principles of fire insurance, the salient points of a fire policy, developments in fire insurance practice, some statutes affecting fire insurance practice, valuation of buildings and machinery for fire insurance and fire brigades are some of the items discussed under fire insurance. Similarly, terms and definitions in marine insurance, Lloyd's, Lloyd's marine policy, revenue accounts of British marine offices, marine revenue accounts of Dominion and Foreign offices, Reinsurance, etc., are some of the subjects discussed under marine insurance. Much rich and valuable materials have been collected and incorporated in this Year-Book so far as fire and marine insurance practices are concerned. Besides, these have been incorporated at the end of the book a directory of insurance offices transacting business in the United Kingdom and a directory of Insurance Institutes, Insurance Faculties, Insurance Brokers, etc.

The get-up of the book is excellent, but the price is rather high from the point of view of Indian workers.

M. MULLIK

POLICY CONDITIONS OF LIFE OFFICES IN INDIA : By S. L. Roy, M.A., and Sanil Dutt, B. Sc., Allahabad. Pages 200. Price Rs. 1-4.

Policy conditions are most important factors in the purchase of a Policy. But these factors are never considered by Indian insuring public at the time of buying a policy. As we all know, in our country old ideas die hard and we are proverbially slow in getting ourselves into the more analytical aspect of things. What is required, therefore, is an attempt towards educating our people and teaching them the broad facts relating to Insurance. In this direction the authors of the above publication have done a lot and brought in refreshingly fresh air into the stuffy atmosphere of Insurance literature. There are certain companies whose policy conditions are admittedly conservative, there are others who change their policy conditions with each valuation. These are things which a policy-holder must know to realise the limitations of the commitments. Messrs. Roy and Dutt have really done a most distinguished service to our insuring public, at any rate to the unwary one, by drawing their attention to this very important, and if I am allowed to call it so—the fundamental aspects of insurance. I have found nothing in this small booklet which has not given me fresh light and refreshing details. I can unhesitatingly recommend this book to our agents who like to place their cards honestly on the table of an intending policy-holder and guide him rightly. Altogether here is a book which is only one of its kind and a model of great analytical excellence.

S. B. ROY CHOUDHURY

THEORY AND PRACTICE OF LIFE ASSURANCE : By Prof. J. C. Mitra, F. S. S., F.R.E.S. Published by Mitra & Sons, 2 Dalhousie Street, Calcutta. Price Annus Eight.

In this little booklet consisting of about 58 pages, Mr. Mitra has made an attempt to explain the A.B.C. of Life Insurance and it will be an useful book for students who want to have some knowledge of the subject before taking up higher or University course.

The only criticism we should like to make is that Life Insurance business has undergone great change during the last 15 years and the publication requires a new edition with up-to-date facts and figures. If that is done we are sure this booklet will be found very useful by the students.

THEORY AND PRACTICE OF COMMERCE AND BUSINESS ORGANISATION : By Prof. J. C. Mitra, F. S. S., F.R.E.S. and published by Industry Book Depot, 22 R. G. Kar

Ibid. First Edition, 1932. With a foreword by Sir R. N. Mukerji, K.C.I.E., K.C.V.O., D.Sc., F.A.S.B., M.I.E. (Ind.).

Mr. Mitra has already made a name as a Professor and we are glad to find that his efforts to publish a comprehensive book for the students of commerce have been very successful: This book, which Sir R. N. Mukerji aptly describes as the omnibus work, consists of more than 750 pages and deals exhaustively with such subjects as office correspondence and organisation, organisation of industries, organisation of commerce, organisation of import and export trade shares and debentures, co-operative societies, advertisement, stock exchange, negotiable instrument, banking practice, factory and cottage industry, Transport, Insurance, Foreign exchange, etc., etc.

The book is primarily meant for commerce students but we have no doubt that it will be found useful by the general public who take some interest in the everyday economic life of the nation, we should like to congratulate the author for the very useful publication which he has been able to complete after a good deal of labour. The only suggestion which we should like to make is that a book like this should have some circulation among the Bengali-knowing public and it will be a happy idea if Prof. Mitra could arrange to publish a Bengali Edition of the book. The times are changed now and with the definite set back in the political programme of the nation, attention of every educated man will naturally be diverted towards commercial or economic movement. Publications of this nature are essential preliminaries to grasp and appreciate the fundamental principles of modern commercial theories. We strongly recommend the book to the intelligent public.

DR. S. C. ROY

CHHATRADAL: Anti-War Number. Edited by Duransu Sen Gupta.

This vernacular monthly is the organ, as the name signifies, of the most radical section of Bengali students who want to bring about a reconstruction of social and political institutions which would ensure for the people of the world their self-realisation. The Anti-War Number which has been just published contains very illuminating articles regarding the disarmament problem which seek to prove that the tall talks about disarmament of the nations of the world are but mere bluff under the guise of which a rigorous preparation for another great war is being made which would involve the destruction of life and civilization.

M. MOULIK

COMPANY NOTES

The United India Life Assurance Company Ltd.

The quinquennial valuation of the above Company as at 31st December, 1931, is over and was made by the eminent Actuary, Prof. K. B. Madhava, M. A., F. R. A. S., A. I. A. (Lond.) The valuation report is quite a considerable volume and is a thorough-going chronicle of events in the life of the Company.

Considerably stringent bases were adopted at the valuation, and the results of the same amply justify the expectation that the "Company's already sound financial position will become one of exceptional strength with considerable profit earning power in reserve." The stringent bases of the valuation have implied, in monetary terms, an addition to the liability of Rs. 1,06,904. Further as a result of methods, no less than Rs. 7,90,768 has been specially set apart as *pro forma* liability to provide automatically future profits. In this connection it is a source of great gratification that, among life assurance companies in India, it was for the "United India" to inaugurate.

(a) A *Net Premium Valuation*, which means that no more than the theoretical minimum commensurate with the risk and the rate involved in the valuation is taken as future assets ;

(b) A *Bonus Reserve Valuation* which means that future profits are not left to

chance but their present value is taken as liability :

(c) A *Compound Reversionary Bonus*, which, briefly, means that Bonus multiplies on previous bonus.

We congratulate the Company on their introducing these features for the first time in the history of Indian insurance, which, although they are novel, are of a perfectly sound and progressive nature; and the results disclosed at this valuation are a conclusive proof of the remarkable financial strength of the company combined with assured continuance thereof in the future.

The surplus disclosed as a result of the valuation is Rs. 6,09,567. The recommendations regarding the allocation of this surplus are as follows :

- (1) To shareholders Rs. 77,741
- (2) To Participation Assurances (closed series) Rs. 61,503.
- (3) To other Participating Assurances Rs. 4,31,942.
- (4) To carry forward Rs. 38,379.

The valuation has provided the Company with certain "hidden reserves" which would stand the Company in good stead for all time to come.

The rate of interest assumed for the valuation has been very carefully worked out. The Actuary has taken into consideration the actual interest rate which the Company had

earned during the last fifteen years, the average of which is much above the assumed rate. The assumed rate is $1\frac{1}{2}$ per cent. which was also assumed in the two previous valuation held in 1921 and 1926.

The Life Assurance Fund amounted as at 31st. December, 1931, to Rs. 36,99,329 including Rs. 10,663 paid away as *interim* bonus to policyholders and Rs. 5,183 paid away as *interim* dividends to shareholders.

We congratulate the Company on the results of the valuation in question, and wish it a career of continued prosperity.

The Company is represented in Bengal by Messrs. Dutt Choudhury & Co., who have admirably conducted the affairs of the Company during very difficult times. Our felicitations to Mr. M. Dutta and Lal Meah, the two popular figures in the local insurance circle.

The Metropolitan Insurance Company Ltd.

We have received a copy of the Directors' Report and Audited Accounts of the Metropolitan Life Insurance Company Ltd. for the year ending 31st. December, 1932. The Company has recorded considerable progress in several of its departments in spite of the most unfavourable circumstances with which the insurance companies in general had been faced on account of trade depression.

During the year under review the Company received proposals amounting to Rs. 59,48,950 out of which the Company issued policies of the value of Rs. 42,51,625. Although the Company has achieved an improvement in respect of new business, the total output has not been as remarkable as that of the first working period. But there is no cause for dissatisfaction taking proper cognisance of the extremely depressing business conditions.

The Company has largely extended its operations having established new organisations throughout the country and branches in Bombay, Madras, and the Punjab and sub-offices in Delhi and Burma. These new units of organisation have been very fruitful from the point of view of the company. In doing so, however, the Company had to incur extra expenditure raising the Company's expense ratio a bit higher than it was in the previous period.

During the year death claims arose to the extent of Rs. 10,000 out of which claims for Rs. 8,000 have already been settled.

The Life Assurance Fund of the Company has been greatly increased, and stands, at the end of the year, at Rs. 62,353. The investments of this Company have been made in government securities and in the form of loans against securities in industrial concerns. The major portion of the Company's funds has been invested in the latter. The interest yield of this investment will be much higher than that in any other approved securities at the present time. We do not know in which particular industrial concern the investment has been made, but we hope the policyholders' money has been placed in very safe hands and the returns will be adequately justifying the trust which the Company has put into the industrial concern.

Messrs. Bhattacharjee Choudhury & Co. the able Managing Agents, have been very efficiently and skilfully steering the Company along its path of progress. We wish it every prosperity.

Tropical Insurance Company Ltd.

The Fifth Annual Report together with the Balance Sheet and Revenue Accounts of the Tropical Insurance Company record the results of another year of progress.

The Directors have regretted the extremely adverse times but for which they could have achieved far better results than those actually done during the period under report.

During the year the Company issued 572 policies assuring the sum of Rs. 10,08,831, yielding an annual income of Rs. 52,550.

The Life Assurance Fund of the Company stands at Rs. 1,55,189, recording an increase of more than 100 per cent over the previous year's figure. The following account will indicate the position and progress of the Company during the past three years :

Year	Net Premium Income	Life Fund
	Rs.	Rs.
1930	1,28,810	30,051
1931	1,10,716	77,545
1932	1,45,560	1,55,189

It is gratifying to note that the expense ratio of the Company has further gone down and is less than 40 p. c. at the end of the fifth year.

The investments of the Company are all in government securities and amount to Rs. 1,54,000. Since the 31st December, 1932, the value of the securities has appreciated by Rs. 16,000. This provides an additional strength to the finances of the Company. On the whole, the results of the Company's working during the year under review are highly satisfactory. In the course of his presidential address, Dr. M. A. Ansari said :

Gentlemen, the seed was sown when the Company was founded only six years ago, by two greatmen in the public life of our country *i. e.*, Pt. Motilal Nehru and Hakim Ajmal Khan. It has grown rapidly into a full and fine tree and has borne fruits. I appeal to you to co-operate in making known more widely the benefits of life insurance and the

very favourable terms on which it can be secured in this Company. No other investment can approach life assurance in the matter of creating provision for the future. Stock Exchange Security is liable to violent fluctuations as we have seen in the past. It more or less failed to fulfil its early promises. But with Life Insurance in a sound company, there is no risk of fluctuation and an insured person gets the full sum assured and a further amount by way of bonus additions. To the insuring public, I would therefore say unhesitatingly "You cannot do better than effecting a Policy with the TROPICAL". The Company stands to give you continued service in the cause of humanity as it has done in the past."

The Company held its first valuation as at 31st December, 1932, which has disclosed a surplus of Rs. 10,167. The Actuary has recommended that the sum of Rs. 7,187 should be set apart as provision for writing off the preliminary expenses, *etc.*, and that Rs. 32,922 may be distributed among the policyholders as bonus at the rate of Rs. 10 per thousand sum assured for every annual premium, paid or due to be paid during the quinquennium. The morality table adopted as the basis of valuation is *HN* with 6 and 5 years' rating up for whole life and other classes of policies respectively.

The rate of interest assumed is $1\frac{1}{2}$ per cent. The provision made for expenses and profits is at the rate of $17\frac{1}{2}$ per cent. of the premiums in case of non-participating policies and 20½ per cent is in the case of participating policies. In congratulating the Company on its excellent valuation results, we agree with Mr. G. S. Marathe, the Actuary of the Company who said at the conclusion of the valuation :

Your Company has thus achieved a result which is creditable at such an early stage of a life insurance company, particularly when

it is realised that the period under investigation has been a very trying one to life insurance companies in India. Your Company has easily withstood the difficulties of the trying period and the result of the first Valuation should be taken as encouraging and satisfactory, for which you deserve congratulations. I conclude this report, therefore, with the hope that you will continue to exercise caution and economy in future years and that the next Valuation will disclose a still better result enabling you to set a continuously good example to workers in the cause of life insurance in India.

The Tropical was started under the auspices of the most distinguished personages in the public life of the country and can boast of its Directorate. Lala Shankar Lal is a veteran Congressman and is the Managing Director of the Company. The Bengal Branch is under the able captaincy of Mr. Hemanta Kumar Sarker, M.A., Ex-M.L.C., who is a reputed insurance worker and has established a wide organisation in this part of India. We wish the Company every success.

The Popular Insurance Company Ltd.

We have received a copy of the Third Annual Report of the Popular Insurance Company Ltd. of Mangalore. The Company has issued 249 policies of the face value of Rs. 3,03,500. It shows a slight decrease in the number of policies issued when compared with the previous year, but in view of the financial stringencies prevailing in the country, this result may not be considered discomfiting.

The total receipts of the Company amounted to Rs. 27,787 during the year, and the Life Assurance Fund has been increased to

Rs. 15,407, an increase of nearly Rs. 5,000 over that of the previous year. The expense ratio of the Company, however, leaves some room for improvement.

The Company has been spreading its organisation to all parts of India, and it is expected that the Company will enlist the sympathy and win the confidence of public in the near future.

Oriental Dyers And Cleaners Ltd.

We welcome the Oriental Dyers and Cleaners Ltd, an institution which is the first of its kind in India. Not only from the point of view of cultural renaissance of the printing and dyeing art in our country, but also from the point of view of a highly profitable business enterprise, this Company is expected to achieve wonders.

The factory and works have been entrusted to the care and vigilance of Mr. Mibir Kumar Sen Choudhury who had been to Germany in order to receive specialised training in the manufacturing processes and business organisation and who is a highly endowed young man.

The promoters of this Company expect to earn a profit of Rs. 66,000 per year and to distribute dividends at the rate of Rs. 41 per cent. In 1931-32 alone the quantity of imported dyed cloth was 32,32,43,168 yards valued at nearly Rs. 5,05,28,837. From this it may be realised what greater quantities of cloth will require to be dyed in India when the depression will be over and a further incentive to indigenous industries will be provided. We believe, therefore, that there is a great future before this Company.

NOTES AND GLEANINGS OF THE MONTH

The Mahajan

The Bengal Moneylenders' Bill which was introduced in the Bengal Legislative Council during the previous session has been passed at the autumn session of the same. This enactment aims at eradicating the usurious rates of interest charged by moneylenders attention to which was drawn by the Bengal Provincial Banking Enquiry Committee. We pointed out in an earlier issue of our journal how the Usurious Loans Act or the Co-operative Credit Societies have failed to stop this pernicious system. The present Act provides that it will be illegal to charge more than 10 per cent compound interest on loans, and that courts shall not decree on arrears of interest a sum greater than the principal of the loan, and that it is incumbent upon moneylenders to supply, on demand by the debtor, particulars of loans incurred. There are other provisions which make for the elasticity of bindings and obligations of the borrower.

It must not be understood that the Act aims at doing away with the *Mahajan* completely. The *Mahajan* supplies a very important need in Indian rural life having the control of surplus funds seeking investment in the country. The principal objective of the measure is to bring the actions of the moneylenders within the scope of legal scrutiny, so that they may be less tyrannical, less exacting, more productive, and thus more popular.

The problem of moneylenders and *Mahajans* also afflicts several other provinces and legislative measures have been introduced in the provincial Councils. There is need of legislation in regard to this problem of moneylending in various provinces which, we hope, will not fail to take a leaf out of the book of Bengal.

Tea Prospects

The Tea Restriction Bill has been introduced into the Legislative Assembly. As a result of the Tea Restriction Scheme being adopted by the producers of India, Ceylon, and Dutch East Indies and other Governments concerned there has been a perceptible improvement so far as output and prices are concerned in the Indian market for tea. A special scheme designed to restrict output as well as to enlist new adherents has been prepared and submitted to northern and southern producers in India, by which small estates manufacturing 'under a thousand maunds' annually are allowed to produce upto 87 per cent of their 'best year's' output; larger estates may only produce upto 77 per cent of their best year's output. But any scheme for restriction of exports must also be accompanied with a scheme for restriction of domestic output. Otherwise, internal competition is likely to be extremely keen and the interests of small producers, particularly of the South are likely to be greatly jeopardised. During the year

31st March, 1934, India is allowed to export 325 million pounds of tea. The average Indian crop from 1926 to 1932 was 405 million lbs, but during recent years a much larger crop was harvested. It has been calculated that India's annual consumption of tea at the present time cannot exceed 40 million pounds. Thus it will be seen that at the end of the exporting season there is a surplus above consumption of from 40 million to 60 million pounds. So the slump arising from the restriction of exports without the restriction of output will involve the small producers in great hardship.

Protection For Cotton Industry

The Legislative Assembly have agreed to extend the operation of the existing Bill providing protection to the Indian textile industry from October to March next. This measure has been taken in view of the fact that the existing Bill would have automatically lapsed next month and a fresh bill would not be appropriate pending the tripartite conference and deliberations among the delegates.

In presenting the Cotton Textile Protection Bill Sir Joseph Bore said that the Government of India's action in giving notice of abrogation of the 1904 convention or raising the duties, was not inspired by any authority or interests outside this country. Both were done on the Government of India's own initiative for the good of the interest of India. The Commerce Member added subsequently that negotiations with Japan would be official as between the representatives of the Government of India and those of the Government of Japan. The Government would attach an unofficial adviser of agricultural interests to the official conference

with Japan. At the same time there would be entirely unofficial conversation between the representatives of the Indian commercial and industrial interests with those of Japan and Manchester, with which the Government of India would have no direct connection.

Khadi Protection Bill

When Mr. Gaya Prasad Singh moved in the Assembly his Khadi Protection Bill, he said that it had received general support in the country through circulation. Among the supporters were the Federation of Indian Chamber of Commerce, the Bengal Chamber of Commerce, the Madras Government and and also a large majority of commercial associations. The Bombay Millowners' Association, however, opposed the Bill and this hostile attitude was very seriously criticised by Mr. Singh with whom many joined. The Local Governments, excepting two, were said to be opposed to the Bill. Sir Joseph Bore said that the Government did not want to assume a hostile attitude, but they felt that as circumstances and conditions did not appear the same in all provinces, a uniform piece of legislation for the whole of India would not be suitable. The Government would not therefore oppose legislation if a provision was inserted making its application to the provinces dependent on prior notification by the Local Governments concerned. During the debate it became abundantly clear that in applying the protection the public should be saved from misuse of the name *Khadi* to mill-made cloth also.

Bengal's Dwindling Exports

The report of the maritime trade of Bengal for 1932-33, compiled by Mr. G. N. Bower, Collector of Customs, Calcutta, says

that the total value of private merchandise was the lowest for thirty years. Exports were hampered by the low prices offered for raw materials and agricultural produce and by the tariff barriers which have been raised in most countries. Exports from Calcutta dropped by nearly Rs. 5,90 lakhs or 10 per cent.

The imports into Calcutta registered a small rise of about Rs. 87 lakhs or 2½ per cent. Prices of the more important articles again declined. This was particularly marked in the case of imports of Cotton and Woollen goods and Kerosene oil.

A special feature of the year was the dumping of cheap Japanese goods.

The Damodar Canal

The Damodar Canal was opened by His Excellency the Governor of Bengal, early this month. The scheme has a long history. Beginning with 1869, the scheme had undergone various changes and modifications until the final project was undertaken to be accomplished by Sir Stanley Jackson in 1927. The weir of the Canal was named "Anderson Gate" in appreciation of His Excellency's interest in the waterways development in this province.

The Canal will serve a double purpose. It is intended in the first place to render the existing Eden Canal incomparably more efficient by removing the defect, namely, uncertainty of supply, and in the second place, to irrigate a large area in the Sadar Sub-division of Burdwan District which is at present liable to shortage of rainfall, and not merely to irrigate but to fertilize.

The cultivators will be very much benefited by the Canal and most of their

difficulties owing to uncertainties of weather will be removed.

Insurance Legislation in India

We understand a new bill will be introduced by the Government for imposing stricter control over the affairs of life assurance companies in India. Sir Joseph Bhore in answering Mr. R. S. Sarma in the Legislative Assembly expressed a similar desire. We know the insurance legislation of our country ought to be amended in regard to certain affairs, such as, the removal of discrimination as between Indian and non-Indian companies so far as the submission of their respective business figures are concerned. We drew attention to such discrimination in the previous issues of our journal. When the new amending bill is under consideration, we may remind the Government that the amendments will be acceptable to the people if only they seek to remove those discriminations and not subject the Indian Companies to further hardships and fetters in regard to their development.

Dr. S. C. Roy "At Home"

Dr S. C. Roy, Managing Editor of the *Insurance and Finance Review*, was "At Home" to the Directors and Research Fellows of the Bangiya Dhana-Vijnan Parishat (Bengali Institute of Economics) on the 27th August, 1933, at the Central Hotel, Calcutta. Sir Lalubhai Samaldas and Mr. S. N. Pochkhana-wala were the Guests of Honour on the occasion.

At the outset Professor Benoy Kumar Sarkar, Director of Researches of the Parishat, explained objects of the Parishat and the lines of research generally followed by the scholars. One important characteristic of the Institute

is that its research fellows are occupied in practical life with business or some other employment so that in their ordinary work they could utilise their respective spheres as laboratories for the work of the Parishat. He also said that the research fellows were not required to subscribe to any economic views but were free to develop any policies they liked and differ from one another even in fundamentals.

Sir Lalubhai Samaldas appreciated the work of the Parishat so far accomplished and suggested that the research fellows should rather be whole-time workers than part-time ones.

Mr. S. N. Pochkhanawala highly appreciated the research works done by the Parishat and emphasised the great utility of the monthly journal of the Parishat named "Arthik Unnati" (Economic Progress) published since 1928, in the economic rejuvenation of the country. He also touched upon the progress of Indian banking and Bengal's participation in its development.

Mr. Nalini Ranjan Sarker pointed out that the younger generation of the country will have to be imparted training in the export and import trade, and more banking and insurance would not solve our problems.

Prof. Bancswar Dass and Dr. Amulya Ukil delivered short and interesting speeches and dwelt mainly on technology and national health respectively.

Dr. S. C. Roy's hospitality was fully enjoyed by the guests present. Prof. Sarkar thanked the host on behalf of the guests. Dr. Roy and Mr. B. N. Sen were all attention to the guests. Among those present were :—

Sir Lalubhai Samaldas, Mr. S. N. Pochkhanawala, Mr. Nalini Ranjan Sarkar, Prof. and Mrs. Benoy Kumar Sarker, Mr. and

Mrs. Gagan Vehari Lal Mehta, Dr. Kalidas Nag, Dr. Subodh Mitra, Dr. Biren Das, Mr. D. P. Khaitan, Mrs. Sushama Sen Gupta, Mr. C. S. Rangaswami, Dr. N. Sanyal, Prof. Bancswar Dass, Dr. A. Ukil, Auditor Tarmaster, Barrister N. R. Mehta, Capt. S. C. Sen Gupta, Sjs. Mrinal Kanti Bose, Bidhu Bhusan Sen Gupta, Kishoree Mohun Banerjee, Hem Chandra Nag, Hemanta Kumar Sarker, Monindra Mohan Moulik, Atul Chandra Kumar, Messrs. I. B. Sen, A. C. Sen, Amrit Lal Ojha, N. M. Roy Choudhury, N. L. Puri, S. K. Choudhuri, J. N. Sen Gupta, S. R. Biswas, P. Mukherjee, S. B. Roy Choudhury, P. R. Gupta, N. K. Saha, B. Gangopadhyay, S. K. De, S. K. Sen Gupta, N. C. Roy Choudhury, N. Banerjee, A. P. Banerjee, J. C. Roy Choudhury H. Das Gupta and others.

Agriculture in India

The first volume of the "Agricultural Statistics of India" for the year 1930-31 which is compiled and published by the Department of Commercial Intelligence and Statistics is now out. It contains a mine of information so far as the agricultural conditions in regard to acreage and output are concerned and also various comparative tables and charts. We give below a few extracts from the report showing the nature of information incorporated therein :

The actual area of British territory for which statistics are given in this volume is 667,522,000 acres. Of this total area 13 per cent. is occupied by forests and 22 per cent. is not available for cultivation owing to the barrenness of the land. The balance of 65 per cent. represents the area available for cultivation. Of this 23 per cent. of the total area though available for cultivation

is not taken up or abandoned and 7 per cent. of the land is kept fallow in the year of report. Hence the net area actually sown with crops during 1930-31 was, therefore, 229,115,000 acres or 34 per cent. of the total area as against 228,161,000 acres in the preceeding year.

Of the total sown area, food crops occupied about 82 per cent. and non-food crops about 18 per cent. Of the food-crops, food grains (cereals and pulses) covered as much as 202,736,000 acres, or 78 per cent. of the total area sown, and other food crops (condiments, and spices, sugar, fruits and vegetables and miscellaneous food-crops) some 11,110,000 acres or only 4 per cent. of the total. Of non-food crops, fibres such as cotton, jute, hemp, etc., occupied 18,322,000 acres or 7 per cent. of the total area sown and oil seeds 16,458,000 acres, or a little over 6 per cent. of the total area sown. The other non-food crops—dyes and tanning materials, drugs and narcotics (tobacco, tea, coffee, opium, etc.,) fodder crops and miscellaneous non-food crops together occupied about 13,287,000 acres or 5 per cent. of the total area.

There was a marked increase in the area under food-grains as compared with the preceeding year. This increase occurred mainly under gram and rice. Of the total area under the food-grains 19 per cent. was in the United Provinces, 14 per cent. in the Madras Presidency, 12 per cent. each in Bihar and Orissa and Bombay, 11 per cent. each in Bengal and the Punjab, 10 per cent. in the Central Provinces and Berar, and the remaining 11 per cent. in other provinces.

Final Jute Forecast for 1933

The revised figures of jute forecast for this year have been issued. There has been

an increase of 34,79,000 acres compared with the previous year. The following is the official final forecast :

	1932	1933
District	Acres	Acres
24-Parganas	42,000	61,000
Nadia	25,000	36,000
Murshidabad	13,200	21,000
Jessore	41,100	70,000
Khulna	20,500	31,000
Burdwan	1,900	3,000
Midnapore	5,000	5,000
Hooghly	17,300	34,000
Howrah	3,700	4,000
Rajshahi	55,000	91,000
Dinajpur	42,700	59,000
Jalpaiguri	25,000	32,000
Darjeeling	2,100	2,000
Rangpur	190,000	252,000
Bogra	62,000	85,000
Pabna	57,000	80,000
Malda	17,500	30,000
Cooch Bihar	20,300	25,000
Dacca	273,300	265,000
Mymensingh	420,000	566,000
Faridpur	133,000	150,000
Bakarganj	21,600	32,000
Chittagong	300	300
Tipperah	157,000	183,000
Noakhali	32,000	50,000
Tripura State	1,100	1,400
Total Behar & Orissa	1,633,200	2,168,700
Total Beogal	157,000	192,100
Total Assam	109,100	130,200
Grand total for the	---	---
three Provinces	1,899,300	2,591,000

The Committee of the Bengal National Chamber of Commerce have addressed a letter to the Secretary to the Government of Bengal, Agriculture and Industries Department, on the subject of the final forecast of the jute crops.

The Committee make special reference to the extraordinary character of the prevailing circumstances which demand that the greatest care should be taken in preparing the estimates this year to ensure their accuracy as far as possible.

Their object in laying special emphasis on this point was not that the Department of Agriculture should make a more conservative estimate than what might be warranted by the facts and figures available to it, but the Committee were anxious to be assured that the opposite danger of an over-estimate would also be carefully guarded against, especially as its effects on the trade as well as on the cultivators of jute were likely to be more disastrous than an under-estimate.

The Committee also refer to the suggestion made by them in a previous communication that the Director of Agriculture should, in the matter of preparing his forecasts, consult not only the Jute Forecast Committee of the Bengal Chamber of Commerce but also the Bengal National Chamber and other Indian commercial organizations in Calcutta interested in jute. Hitherto no action had been taken by the Government upon this suggestion, the acceptance of which, they reiterate, "would have gone a long way to dispel much of the present uncertainties and doubts created by the exclusion of Indian trade interests from official consultation on matters pertaining to the jute forecast."

The Committee of the Chamber urge upon the Government the necessity of removing all misgivings on this matter, at it is essential to give a more assuring lead to the trade by enhancing the intrinsic merits of the forecast. The Committee, therefore, hope that the Government will give the Chamber an opportunity of discussing the matter with the Director of Agriculture, before the preparation of the final forecast in early September.

Insurance Legislation in Illinois—

Investment Safeguards

An emergency bill of great importance has been introduced as a sequel to the collapse

of several Illinois life assurance companies in the Illinois House which has almost unanimously approved it. Confirmation by the Upper Chamber is expected as a matter of course. The bill when passed into law will have very far-reaching effects.

The new measure aims at tying down the life assurance companies as regards their investments. For example, farm mortgages are only sanctioned up to a limit of 40 per cent of the "admitted assets." The companies are also permitted to invest in railway or "utility" bonds or other properly secured industrial bonds, but not more than 25 per cent of the assets may be put into any one class and not more than 50 per cent in all for these three classes combined.

"Common stocks" are barred for investment purposes. There is also a prohibition of investments in hotels or banks, or in any enterprises in which the directors or officers of the life company have any interest. Real estate is ineligible as an investment except in so far as it may be necessary for the transaction of the company's business.

Fatal Road Accidents in England

Fatal road accidents in England do not bring so great a total of deaths each year as is the case in the United States, but the situation is none the less serious and alarming. The National Safety First Association of Great Britain reports that for the half-yearly period, July to December, 1932, there were 3029 fatal road accidents resulting in the death of 3129, of whom 575 were children. In commenting upon the situation the *Insurance Record* of London, says that the failure of the human elements in these accidents is responsible in over 80 per cent of the cases, and during the five years in

which the Association has conducted investigations this percentage has been not lower than 81.6 and as high as 85.7. Most of the pedestrians killed were either under 10 or over 50 years of age, and this class formed 50 per cent of the total. The worst month was August, with December second, the worst days Saturday and Friday, in that order, Sunday having, somewhat surprisingly, the lowest average (perhaps due to there being fewer pedestrians abroad despite the usual increase in motor traffic); and over one-third of the accidents took place after dark, the worst period being between ten and eleven, and the next being five and seven—the rush hours.

Life Companies' Merger in Japan

Commercial Asia announces the merger of of five middle-sized Japanese life insurance companies whereby there has been created a new company with assets of Y. 63,000,000 and with insurance in force totalling Y. 225,000,000.

The new Company formed by the merger is known as the Showa Mutual Life Insurance Company consisting of the Nippon Physicians Mutual Life, Kokko Life, Horai Life, Tokai Life, Chuo Life insurance companies.

In an official statement issued by the Minister of Commerce and Industry on June 9, the reason for the merger were set forth as follows :

"The object of the merger is not promotion of interests of these companies, but in the interests of their policyholders. In the event of the merger being carried out, the total amounts of contracts will be about Y. 250,000,000 and assets about Y. 65,000,000. This will raise the new company to the position of one of the most influential life insurance

companies in Japan. Thus their business condition will be strengthened and will increase the profit of the policyholders."

Nationalization of Insurance in Manchukuo ?

Reports that the new state of Manchukuo is planning to nationalize the insurance business within its borders have been denied in official quarters in Shanghai. The rumour that Manchukuo was planning to drive out all foreign insurance companies apparently originated from several *Reuter's* cables. According to Mr. H. Yokotake, Japanese Commercial Counsellor at Shanghai, the Manchukuo Government plans to establish a post office insurance system, writing only small life policies, similar to that which has been in effect in Japan for some years and which the Chinese National Government has had under consideration for some time.

Sugar Price "War" in India

The drastic reductions in the price of Java sugar, are described in the Bombay sugar market as a heroic measure against the competition of Mozambique sugar, which has of late been making strenuous efforts to establish a footing in the Indian market.

During the past three months Mozambique sugar imported into Bombay amounted to about 7,000 tons, in colour it is slightly pink and its grain is slightly bigger than Java sugar, and it is sold cheaper. Further shipments aggregating about 20,000 tons are expected to arrive from Mozambique within the next three or four months, this being considerably in excess of the total imports from Mozambique last year (about 11,000 tons).

Java seems to be alarmed at the invasion of the rival and hence the drastic reduction. The opinion is expressed in the Bombay market that this price cutting might not

help Java materially in withstanding the competition not only of Mozambique but also of the Indian manufacturers as she is handicapped by being still on the gold standard and by adverse exchange, with the result that even at the reduced rates Java sugar will be above parity.

The reduction by 75 cents in Western India and only 25 cents in Eastern India is explained by the fact that Mozambique sugar is shipped only to Western Indian ports from Colombo to Karachi and none goes to the Eastern ports.

The recent growth of the Indian sugar industry has also hit Java very badly. The output of the Indian factories during 1932-33 was about 250,000 tons of refined sugar and that for the next year is estimated to be about 100,000 tons over this figure. This growth of the indigenous industry is reflected in the imports from foreign countries.

The imports into India from foreign countries during 1931 were 170,000 tons which included about 90,000 tons of continental beet sugar. Those imports fell to 107,000 tons in the year 1932, including 15,500 tons of Continental sugar.

Important Decision in Insurance Suit

Mr. Justice Iqbal Ahmad and Mr. Justice Rachhpal Singh, of the Allahabad High Court, have given a decree in favour of Messrs. Andrew Yule and Company, local managers of the Guardian Insurance Company, Limited, against Lala Harkishen Das, who had been sued by the plaintiffs for Rs. 3,185 for non-payment of premium on the insurance of Steam Roller Flour Mills for Rs. 7,71,000.

The point for decision by their lordships was whether there was any valid contract, no premium having been paid.

Rejecting the contention on behalf of Lala Harkishen Das in second appeal, their lordships said that this plea had been raised on the assumption that in every case a contract for insurance was not binding unless the premium or a part of it had been paid. In their lordships' opinion no such assumption could be accepted. There had been cases in which it was open to the insurance company to waive their right to demand immediate payment of the premium, more especially where the proposal was for a fire insurance policy. It was not always necessary that such a formal agreement should be entered into to constitute a valid contract for fire insurance. Where the insurance company on receipt of a proposal for insurance issued a risk-note covering the risk, that fact by itself constituted a contract for insurance for certain time.

Japan *versus* Lancashire—Fact in Comparison

The quantity of cotton used by Japan is approximately a third greater than that manufactured by Lancashire, yet Japan has only 8,000,000 spindles against 49,000,000 in the cotton country.

This anomaly is referred to by the Manchester correspondent of *The Times*, who declares that the disparity is accounted for by the fact that while Lancashire mills work a maximum of 48 hours a week, those of Japan work 120 hours.

The class of trade done by Japan is indicated by the fact that Japanese mills used 835,000 bales of American cotton and only 28,000 bales of finer Egyptian compared with 735,000 bales of American and 158,000 of Egyptian used in Lancashire mills.

The Late Mr. William St. John Church

We record with deep regret and sorrow the news of the death of Mr. W. St. John Church, one of the ablest and most successful insurance men who ever came to India, which melancholy event took place on the 26th July, 1933. He leaves behind a widow and two sons, the eldest of whom Mr. J. W. Church is holding a post in the Calcutta Electric Supply Corporation Ltd.

Mr. Church had all along been associated with Indian Life Insurance Offices, and endowed with the highest qualities of constructive genius, he was able to establish the reputation of the life offices he was placed in charge of.

Born in Sutton, Surrey, in 1872, Mr. William St. John Church received his early education in Bury St. Edmunds, and qualified himself for the printing trade. He got an appointment in a printing firm in Bombay and came to India in 1898. Later on he joined the firm of Messrs. McDowell and Co., of Madras and was placed in charge of their Insurance Department. After a year, he joined the Oriental Government Security Life Assurance Co. Ltd., in Bombay and was appointed Branch Secretary to their newly opened Branch Office in Madras, where he worked very successfully till the early part of 1906. On the 1st May, 1906, the Oriental Life Assurance Company opened their new Branch in Bengal and Mr. Church was sent to Calcutta as Secretary thereof. He opened the Branch Office in Calcutta at 28, Dalhousie Square, by taking over charge from Messrs. R. Knight and Sons, the then Chief Agents of the Company.

Mr. Church purchased the site on which stands the present palatial building of the Oriental in Clive Row, the construction

whereof was completed under his direct supervision. In the latter part of 1917, Mr. Church was transferred to Madras and after a few months he left Oriental to join the National Indian Life Insurance Co. in Calcutta as its Resident Manager, in which capacity he worked with great credit and success up till 1926. Leaving the National Indian Insurance Co. Ltd., up to the time of his death he had all along been associated with indigenous life offices.

A born organiser, a consummate administrator, a sympathetic and kind-hearted master, Mr. Church's name will ever remain enshrined in the hearts of all who came in contact with him. His sympathies were wide and quick. Mr. Church was purposeful and energetic, an organiser of a very high order whose promptitude of resource alike in the office and in the field was no less conspicuous than the good humoured geniality of his character. Talents, industry, patience and perseverance—these he possessed in the highest degree. In his choice of men, he looked more for intelligence and independent initiative than for subservience, and this commendable trait in his character secured for him whole-hearted co-operation from a band of sincere workers.

Indian insurance has lost in him an astute devotee and a pioneering genius. We offer our sincerest condolences to the members of the bereaved family.

Indian Insurance Conference, Lahore

A meeting of the Reception Committee of the Indian Insurance Conference was held on the 3rd and on 7th of August, to elect office bearers and members of the Executive Committee. It was decided that instead of electing all the office bearers and

all the members of Executive Committee, the Chairman, one Vice-Chairman, General Secretary, Joint General Secretary, Treasurer and eight members of the Executive Committee be elected. The election of the remaining two Vice-Chairmen, auditors and five members of the Executive Committee be postponed till at least 100 members of the Reception Committee were enrolled.

The following office bearers and members of the Executive Committee were elected : --

OFFICE BEARERS.

Chairman : Lala Harkishen Lal.

Vice-Chairman : Paudit K. Santanam.

General Secretary : Lala Trilok Chandra Kapur.

Joint Gen. Secy : Mr. S. L. Tuli.

Treasurer : Lala Bhim Sain Sachar.

MEMBERS OF THE EXECUTIVE COMMITTEE

Mr. Nanak Chand Kapur, Manager, Star of India Insurance Company, Mr. Baij Nath Chopra, Fire agent, Mr. Rajendar Lal Tuli, Manager, Taj Insurance Company, Mr. J. N. Sethi, Secretary, National Insurance Company, Lala Duni Chand, Director, Bharat Insurance Company and People's Insurance Company, Mr. Nazar, Secretary of the Empire of India Insurance Company, Mr. Vatel, Secretary, Hindustan Co-operative Insurance Company, Mr. Nand Lal Uberoi, Fire agent.

The remaining office bearers and the Members of Executive Committee will be elected after at least 100 members are enrolled.

I take this opportunity of requesting people interested in insurance to become members of the Reception Committee.

Membership is open to the Directors, Managing Agents, Managers, Secretaries, Actuaries, Legal Advisors and Medical

Advisers of any Indian Insurance Company having its Head Office in the Punjab and Branch Secretaries, Managers, Inspectors and Organizers, Agents, Chief Agents and Medical Examiners of any Indian Insurance Company working in the Punjab and others connected with Insurance.

"Georges Philippart" Insurance

Many underwriters interested in the insurances of the French motor liner *Georges Philippart* were surprised to learn in mail week that a claim had been lodged against the Services Contractuels des Messageries Maritimes for the repayment of the amount paid on the vessel's policies shortly after she was destroyed by fire in May last year. This payment was made conditional upon the production of the report of the committee which enquired into the loss, and it will be recalled that requests for this report were ignored until May 13 last, when claims against the owners of the vessel in respect of cargo lost with her, were on the point of becoming statute barred. Even then, the report supplied to the underwriters proved to be incomplete, although an action was immediately commenced in the French courts claiming from the owners the amounts paid in respect of insurances on cargo. A clue to the contents of the full report had, however, been supplied by the publication in an obscure French political journal of what is believed to be an accurate précis of the document. On this evidence the special committee of underwriters who had the matter in hand, continued to press for the actual report, and while it is believed that, even now, the complete text is not available, sufficient information has become available to justify the underwriters, in requesting the refund of their

settlement on the hull policies on the grounds that the loss was due to causes for which they are not liable. Such action is not necessarily parallel with that of the cargo underwriters, for a shipowner may be liable for damage to cargo in circumstances in which he is entitled to recover under his hull insurances, and for this reason further developments are awaited with keen interest.

Sen Roy & Co.

We are glad to announce that Messrs. Sen Roy & Company have been appointed Chief Agents for Bengal Behar and Orissa of the Indian Mercantile Insurance Company Ltd. of Bombay. Mr. N. C. Roy, one of the principal partners of the firm, is an experienced and efficient insurance worker, having worked in the New India Assurance Co. Ltd. and National Insurance Company Ltd. for several years. We wish this firm every success.

Swadeshi Exhibition and Insurance Publicity

The Swadeshi Exhibition in Calcutta details of which we published in our last issue was opened with eclat by Lady Nilratan Sircar in the absence due to unavoidable reasons of Sir Nilratan Sircar, the President-elect, at Wellington Square on the 4th September. Lady Sircar made an ardent appeal for buying *Swadeshi* goods to her countrymen.

The various committees of the Exhibition have displayed very interesting facts and figures for the enlightenment of the public in regard to the different aspects of India's national awakening and rejuvenation. We beg to draw particular attention to the Insurance and Banking Stall organised by the Insurance and Banking Committee of the

Exhibition. Various interesting charts and illustrations regarding the progress of indigenous insurance, the utility of insurance in the development and safeguarding of national industries have been displayed in the Committee Stall. The Insurance and Banking Committee consist of the following members : Dr. S. C. Roy (Secretary), Mr. J. C. Sen, Mr. M. Moulik, Mr. J. N. Sen Gupta, Mr. Benode Biswas, Mr. S. B. Roy Chondhury, Mr. P. R. Gupta and Mr. K. K. Nandi.

Career of a Blind Agent

Canadian Insurance records the amazing career of one Mr. Garnet W. Rayeroft, who, while engaged in business as district manager for the Excelsior Life, and a popular local insurance man, suddenly lost his eye-sight. A calamity of such tremendous proportions might well have resulted in complete discouragement to the strongest man ; but Mr. Rayeroft did not let it upset his life.

He set out to learn Braille reading, memorized the telephone numbers of his customers, and proceeded to build up a large business in the general insurance field. He was forced to sever his connection with the life assurance branch of the business, for he found that he could not successfully carry on that type of work without actually calling on customers, and his affliction made that impossible.

In 1922, seven years after losing his sight, he was overjoyed to find that he was slowly regaining his ability to distinguish objects. From time to time, he says, he was able to see clearly, then the old trouble would return. Finally, however, he regained his sight and in 1925 was able to drive his own car. Since then his vision has been excellent.

Insurance and Financial Times

We congratulate our esteemed friend, Mr. T. K. Sarker, editor and proprietor of the above journal on the latest issue of his journal. Several interesting and instructive articles have been published and some new features have been introduced. The get up has been much improved and the pages are fully illustrated. We wish this journal a long life of usefulness and prosperity.

Dr. N. Sanyal

Dr. Nilinakha Sanyal, M. A., Ph. D., a former editor of the *Insurance and Finance Review*, after serving an imprisonment for six months in connection with his accepting the Chairmanship of the Reception Committee of the last session of Indian National Congress (declared unlawful) at Calcutta, has been released. He has now resumed his previous office in the Metropolitan Life Insurance Co. Ltd. We are glad to have him in our midst again.

Mr. S. C. Roy

We congratulate our esteemed friend, Mr. S. C. Roy, M. A., B. L., editor of *Insurance World* and of the Hindusthan Co-operative Insurance Society Ltd. on his being elected to the E. B. Railway Advisory Committee by the Bengal National Chamber of Commerce.

Institute of Actuaries Examination

The following candidates were successful in the above Examination held in Calcutta in May last :

Probhat Kumar Ghosh	Part I
Anil Chandra Nag	Part I
S. M. Pal	Part I
B. R. Gupta	Part IIA

T. S. Swaminathan	Part IIA & IIB
M. M. N. Marar	Part IIB.
* Babhai Kasturchand Shah	Part IIIA
* Arthur Joseph Males	Part IIIB
* Now qualified for the Associateship.	

Bangiya Jana Sahitya Sammilani

The first session of the Bangiya Jana Sahitya Sammilani (Bengalee Peoples' Literary Conference) will be held at Mymensingh on the 16th and 17th September, 1933. Professor Benoy Kumar Sarkar has been elected President of the same. We wish the Conference all success.

The Rehnuma-i-Beema

We have pleasure in announcing that the Rehnuma-i-Beema, 1934, an Insurance Year Book in Urdu will be published soon from Lahore by Mr. H. S. Balhaya, editor of the *Breema*. The price of the book will be Rs. 2. Industrial & Prudential Assurance Company, Ltd.

The fourth quinquennial valuation of the above Company for the period ending 31st. December, 1932, shows a surplus of Rs. 7,64,526. The Directors have recommended a simple reversionary bonus at Rs. 22½ per thousand per annum to whole life policies and Rs. 18 per thousand per annum to other classes of policies. We consider this result highly satisfactory and shall publish a review in more details of the Valuation Report in one of our future issues.

Genuine Insurance Company, Ltd.

Here is a new entrant into the field of provident insurance in Bengal. The schemes of this Company fortunately differ from the hackneyed and unscientific schemes of day-to-day companies. They guarantee a fixed sum to the subscribers and in any case the subscribers are entitled to 150 per cent. of the

premiums paid. The policies provide many liberal conditions in regard to lapses, surrender value, etc., and the schemes are well worth considerable attention and scrutiny.

The Aryan Mutual Life Assurance Society, Ltd.

We have received a copy of the Directors' Report of the above Company for the first working period consisting of nearly 11 months during which it has written a business of the value of Rs. 1,53,500. The Company has been started in Bombay with the patronage of several distinguished local business men. The Company is represented in Bengal by Messrs. Chatterjee & Co., Chief Agents, a firm of which Mr. N. G. Chatterjee is the principal officer.

Crescent Insurance Company, Ltd.

Mr. H. L. Goopta, B. A., Branch Secretary of the above Company at Calcutta went to Kalukhali, Barisal, to hand over a sum of Rs. 1,000, which arose as a claim due to the death of Mr. Radha Nath Karmaker, an assured in the Company, to Dr. Hara Kanta Karmaker, the assignee of the deceased. Such prompt payment of claims will undoubtedly popularise the Company in the country, and as a matter of fact Mr. Goopta received several proposals of assurance immediately after the meeting before which the money was paid was over.

Calcutta College of Insurance

We published an account of the opening ceremony of the above College in our last number. Regular classes have been started from the 15th August and the seats, we understand, have nearly been filled up. We are delighted to learn that very able professors and renowned scholars have joined the

teaching staff of the College. It is expected that all seats will be filled up before the Puja vacation.

Metropolitan Insurance Workers' Association

An association of the above name was formed by the field workers of the Metropolitan Insurance Company Ltd. on September 9, 1933. The Association is located at 28, Pollock Street, and the Provisional Committee consist of the following :

President—Mr. Hirendranath Roy, B.A., B.L.

Vice President—Mr. Probodh Ch. Nag, M.A.

Mr. Kiran Kumar Basu.

Secretary—Mr. Pramañanath Chakravorty, B.A.

Asstt. Secys.—Mr. Sudhir Chandra Mukherjee

Mr. Samblanath Basu

Treasurer—Mr. Matilal Pal

The objects of the Association have not been mentioned in the report which has been sent to us for comment.

Indian Insurance Agents' Association.

Mymensingh

In the annual general meeting of the "Indian Insurance Agents' Association, Mymensingh," held on 13th August in the Central Co-operative Bank Building, under the presidency of Mr. D. K. Lahiri Choudhury, M.L.A. and well attended by the insurance workers of the district, a resolution was passed all standing, before commencement of the usual agenda, condoling the sad and premature death of Deshapriya Sen Gupta, touching particularly on the distinct loss to the cause of Indian Insurance, in view of his connections with a few Indian concerns.

Mr. S. R. Dutt, B.A., in course of his Secretarial report, emphasised on the necessity and utility of such associations, stressing

on the united strength so badly needed for the advancement of the cause of Indian Insurance, particularly in making a bold stand against foreign competitions.

Messrs. N. K. Roy, A. A. Khan and Rai Bahadur Chakladar, President of the Association, also elaborately dwelt on the various aspects of "Buy Indian and Sell Indian" in Insurance. But the masterly deal on the subject by the Honourable Mr. Lahiri Choudhury, who is also associated with a few Indian Life concerns, was a class in itself and was very much appreciated.

The following office bearers were elected for the current session :—

President :—Rai U. C. Chakladar Bahadur

Hindusthan

Vice-Presidents :—Mr. N. K. Roy.

Calcutta Insurance

Mr. H. C. Chaudhurie.

Forward

Secretary and Treasurer : Mr. S. M. Aich.

Oriental

Asst. Secretary :—Mr. S. C. Roy. *Unique*

Executive Committee :—

Mr. S. R. Dutt, B.A.

Forward

„ M. N. Roy. *Empire*

„ A. A. Khan. *Lakshmi*

„ S. B. Gupta. *National*

„ D. N. Sen. *New India*

„ N. Chakladar.

Hindusthan

„ Aurobindo Ghose.

Forward

„ K. C. Das, M.A. B.L.

Andhra

"Malda in Calcutta" Society

A conference of the people of Malda residing in Calcutta was held at the residence of Mr. K. Ahmed, M. L. A., Bar-at-Law, at 10, Hastings Street, Calcutta on the 20th. instant.

As a result of deliberations the "Malda in Calcutta" Society was established with Prof. Benoy Sarkar as President and Prof. Baneswar Dass as Secretary. The objects of the Society have been declared to be the promotion of social intercourse among the Malda people living in Calcutta as well as discussions on the methods of improving the economic condition of Malda.

Mr. Ahmed's hospitality was enjoyed by the guests who mustered strong on the occasion. Drs. Sashi Kumar Sen Gupta and M. Agarwalla, Mrs. Ida Sarker, S. J. Atul Kumar, Mrs. Sarma as well as several merchants and Kavirajes were present.



Mag. Editor—DR. S. C. ROY, F.C.C.S. (Lond.), F.R.E.S. (Lond.)

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Editorial

Indian Insurance Year-Book, 1932

The Report of the Government Actuary on the working of insurance companies operating in India during the year 1931 has at last been published. The insurance press of India has cried itself hoarse over the delay which mars much of the topical interest of the publication and sets to naught much useful purpose which the Blue Book serves to the public as well as to the insurance people, yet there is some consolation in the thought that "better late than never." We would once more draw the attention of the Government Actuary to the public opinion in this matter which is insistent upon having the Blue Book published with the least possible delay.

The total number of insurance companies operating in India is at present 282 of which 136 companies are constituted in India and

146 are constituted outside India. This records an increase of 16 companies which have been established with the object of transacting life assurance business since the publication of the last Year-Book. The distribution of companies constituted in India over provinces is as follows :

Bombay	60
Bengal	25
Madras	21
Punjab	14
Delhi	8
C. P.	2
Ajmer	2
Bihar	2
Burma	1
U. P.	1

The distribution of companies constituted outside India over the countries of origin are as follows :

United Kingdom	71
British Dominions and Colonies	31
Europe	18
United States	12
Japan	9
Java	5

The majority of Indian companies, 103 out of 136, carry on life assurance business alone, 20 carry on life business along with other insurance business and 13 carry on insurance business other than life. On the other hand, most of the non-Indian companies carry on insurance business other than life. Out of a total of 146,122 carry on insurance business other than life, 10 carry on life business only and 14 carry on life business along with other insurance business.

Regarding the establishment of new companies the Government Actuary has sounded a note of warning. He has pointed out that with the exception of a few companies, a large number of Indian companies of under 20 years' standing has not paid any dividend to their shareholders and is still in a state of indefinite struggle, and as nearly 50 companies have been established during the last four years, it is undesirable for any more companies to be formed. Some companies had spent almost all their paid-up capital in preliminary and organisation expenses. Although we are not inclined to paint the outlook so dismal as that, yet there is considerable weight in the plea that the

consideration of quality should be placed before that of quantity in this matter.

The total new life assurance business effected in India during 1931 amounted to 125 thousand policies assuring a sum of 26½ crores and yielding a premium income of 1½ crore of which the share of Indian companies amounted to 97 thousand policies assuring a sum of 17 crores and having a premium income of ¾ crore. The total life assurance business effected in India and remaining in force at the end of 1931 amounted to 714 thousand policies assuring a total sum of 168 crores including reversionary bonus additions and having a premium income of 8½ crores. Of this the share of Indian companies is represented by 502 thousand policies assuring a sum of 94 crores and having a premium income of 4½ crores. The development of life assurance business effected by Indian companies since 1922 is shown in the following table :

Year.	New Business written during the year.	Total business re- maining in force at the end of the year.
1922	5,64 lakhs	37 crores
1923	5,85 "	39 "
1924	6,89 "	42 "
1925	8,15 "	47 "
1926	10,35 "	53 "
1927	12,77 "	60 "
1928	15,41 "	71 "
1929	17,29 "	82 "

Year.	New Business written during the year	Total business remaining in force at the end of the year
1930	16,50	89 "
1931	17,76	98 "

The net income of the Indian companies under their life assurance business from premiums and interest amounted to 5½ crores in 1931 and was in excess of ½ crore over the corresponding income of the previous year. Claims amounted to 1½ crore and exceeded the previous year's figure by 12 lakhs. Claims by death and by survivance showed an increase of 5 and 7 lakhs respectively.

The life assurance funds increased by nearly 2 crores during 1931 and amounted to 22½ crores at the end of the year. The average rate of interest earned on the life funds during the year was a little less than 5½ per cent.

The Government Actuary has raised an alarm over the high lapse ratio of Indian companies. He has pointed out that the total life business which lapsed during 1930 was 7½ crores and was 40 per cent of the total new business. This is undoubtedly discouraging. Some companies have been spending their resources indiscriminately on any kind of new business in their anxiety to push forward the new business figures. The Government Actuary has rightly remarked : "there are still many

companies which conduct their business at a dangerously high cost but an enlightened public opinion is gradually growing up to expose the evil of extravagant management. It is also mentioned that some of the expensively managed companies had also incurred expenditure which has not yet been put through the revenue account as outgo but is shown amongst the assets as capital outlay." We hope the attention of the companies will be drawn to this pitiful aspect of their business operations.

The non-Indian life business of Indian companies during 1931 amounted to 66 lakhs yielding a premium income of 4 lakhs and the total sum assured including reversionary bonus additions remaining in force at the end of 1931 amounted to 4 crores having a premium income of 21½ lakhs.

The Year-Book contains the results of the latest actuarial valuations of 52 Indian life offices, out of which 41 companies have shown surplus and 8 deficit.

The total assets of Indian companies till the end of 1931 have been shown at 29 crores. Of this 20¼ crores are invested in government securities. Mortgages, loans on policies, and on stocks and shares are shown at 4 crores; land and house property are valued at 1½ crore; deposits, cash and stamps are shown at ½ crore; accrued interest at ¼ crore; agents' balances and other outstanding items at 1½ crore; and loans on personal security and other miscellaneous assets at ½

crore. Investments of Indian companies outside India consist mainly of stock exchange securities and amount to ½ crore. The total assets in India of non-Indian companies amount to 37½ crores. Almost the whole of this sum is invested in government securities. The Government Actuary has not mentioned the different items in which this amount is invested. The mention of such items would have removed much misunderstanding in the matter.

The Post Office Insurance Fund has received a set-back during the year ending 31st March, 1932. The following table will show its comparative position :

Year Ending 31st March	New Sums Assured	Total New Premium Income	Life Assurance Fund at the end of the year
1930	1,19,56,000	6,65,000	1,02,80,000
1931	1,50,38,000	6,74,000	1,46,46,000
1932	98,15,000	1,28,000	1,91,47,000

From the above it will be seen that the new business during 1932 of the Post Office Insurance Fund has suffered a reduction of nearly 35 per cent over the corresponding figures of the previous years.

The position of fire, marine and miscellaneous insurance business is summarised in the following table :

In lakhs of rupees.				
Companies	Fire	Marine	Miscellaneous	Total
Indian	28	7	24	59
Non-Indian	100	36	53	189
Total	128	43	77	248

From the net figures given above it is not possible to form a correct estimate of the total business effected in India as a considerable portion of Indian and non-Indian companies is reassured outside India.

There are at present 265 provident insurance societies of which 150 are established in Bengal, 48 in the Bombay Presidency, 41 in Madras and the remaining societies are scattered over the other provinces of India including 1 in Burma. Of the existing societies, 50 transact ordinary life assurance business and 215 transact business either on the dividing plan or on the call system. The accumulated funds at the end of the year 1931 of the societies, of which particulars are available, amounted to 15 lakhs and their combined income during the year was 8½ lakhs. The paid-up capital of the societies having a share capital was 2½ lakhs. The Government Actuary has suggested that the societies which work on the dividing plan with a minimum guarantee should be guided by actuarial advice as to building up a proper reserve and with advantage undergo an actuarial valuation.

The Caste in Railway Service

Our attention has been drawn to a contribution which appeared in the *Ananda Bazar Patrika* where the writer, Mr. S. K. Banerjee, who is not a stranger to our readers, has discussed the claims of different communities of India to railway service. The

question has arisen now because the Moslems have demanded a certain percentage of the railway services to be kept reserved for their community.

In the first place, the Railways, although they are public institutions, are commercial enterprises too. Mr. Banerjee has asked the pertinent question what ought to be the criterion by which the distribution of railway services among different communities is to be regulated. If the income of the railways is to be the criterion of such distribution, then, Mr. Banerjee has argued, the Hindus have the first claim on the majority of railway services.

Mr. Banerjee has argued and has proved by a statement of facts which are as convincing as figures that the Hindus contribute the largest passenger as well as goods traffic to all railways all over India. This would be realised by a mere reference to the various places of pilgrimage, fairs, festivals, local ceremonies, etc. Every province has its own local places of pilgrimage and festivities. Besides these, there are some places of pilgrimages of an all-India character, that is to say, those places which are visited by Hindus from all parts of India, such as Benares, Gaya, Allahabad, Nasik, Rameshwaram, etc., to mention only a few. The Mahomedans or Christians have no such places of attraction; the pilgrimages being compulsory, every Hindu contributes his mite to the earnings of

railways; then there are seasonal and exceptional festivals such as the Kumbh, Eclipses, etc. The local festivals, celebrated with great eclat in places like Tarakeshwar, Baidyanath Dham draw large number of local pilgrims from adjacent districts. From these sources alone the earnings of railways contributed by the Hindu population would eclipse every other single source, but still the Mahomedans demand a percentage of services on population basis. "He who pays the piper calls for the tune." When the Hindu passengers contribute the major portion of passenger earnings they have every right to insist on the employment of Hindu servants for service and there appears no reason why the Mohomedans should now proclaim themselves as caste-ridden. Mr. Banerjee apparently got his provocation at the sight of water-pitchers marked "H" & "M" in every railway station which mean water for Hindus and Mahomedans: nobody was ever aware of any Mahomedan who had objections on religious grounds against use of drinking water from any source, but being born and bred up in this caste-ridden country they have caught the contagion, otherwise the Railway authorities would not trouble themselves over duplicating the water-supply system, but had there been any such demand on religious grounds for separating the water supply system? Where and by whom? What made the railway systems go in for extra expenditure whereby the expenditure on this

count alone had to be doubled? No wonder that the railways would run at a loss. The Mahomedans, if they really demanded a separate supply of water have sadly betrayed their bigotry from which they were proud enough to call themselves free.

We have no intention of prejudicing the case of Moslems so far as their employment in the railways is concerned. What concerns us most is the fact that the canker of communalism is spreading its contagion in every sphere of our social life. We urge upon the potent factors behind the propagation of this evil to change their outlook before it is too late.

Cohen Committee's Report on Industrial Assurance

The Report of the Departmental Committee on industrial assurance appointed by the Treasury in April, 1931, under the presidentship of Sir Benjamin Cohen, K. C., to examine into and report on the law and practice of industrial assurance and assurances on the lives of children under ten years of age, has now been published. Industrial life assurance owes its origin to a much later period than life assurance and seeks to redress the financial difficulties of the masses and industrial workers in times of special need. Industrial life assurance has increased by leaps and bounds in recent times. But neither legislation nor business practice had ensured a smooth run for this business. The Cohen Report has revealed the conditions of the working of industrial life assurance in England which are far from satisfactory. The Committee are of opinion that the defects of the business and their

consequences to the assuring public cannot be substantially remedied by a mere change in the statutory provisions. They have instead suggested three measures of which they seem to favour the third one most. It calls forth a statutory imposition on companies of a general limitation of expenditure to a fixed maximum, except for the benefit of the assured. The other two alternatives present, in their opinion, formidable difficulties in their application.

The principal defect, according to the Cohen Committee, of the business as it exists to-day in England is the "excessive competition with its almost feverish pressure for increase firstly by the offices on their field staffs and secondly by the latter upon the working class population, is responsible for the principal defects of the business. To this competition and pressure must be ascribed the masses of uneconomical contracts (many of them of doubtful legality) into which people are induced to enter and the inordinate number of lapses which ensue, with the heavy losses resulting from them."

The *Financial News* has suggested an additional remedy for such defects which consists in dispensing with the services of part-time agents completely and to cover the country with a net-work of whole-time agents. It has been found that the expense ratio of the group of offices that employ part-time agents by far exceeds that of the group employing whole-time agents. There are various other important considerations which deserve our attention, but for want of space we have to postpone the discussion till a future issue.

Personal Liberty under National Socialism

BY MRS. HILDA M. BANERJEA

When I began to consider the subject-matter of this article there seemed to be very little to say, because in ordinary life one does not notice any restrictions under National Socialism. The common daily life of the individual is not interfered with nor is he restricted in his business affairs. Everyone may buy and sell where and how he likes. There are no laws, as in Italy, England and some other countries regulating the employment of foreigners. Foreigners are not prevented from earning money. Quite recently, in a neighbouring state, an artist was not allowed to hold an exhibition where pictures were on sale. He came to Germany, and although not a German subject, held a successful exhibition without any restrictions. Foreigners may arrange lectures and charge fees. It is not without significance in this connection, that in the heat of a great national revolution, Sir Thomas Beecham should be invited to conduct three Wagner operas in Munich—a foreigner conducting ultra-German music in the stronghold of German nationalism."

The ordinary citizen or visitor, then, is not aware of any curtailment of his liberty. In certain respects he is more free than before the revolution, because with the restoration of authority there is no longer any necessity for taking special precautions against overt actions. For instance, during the Brüning and the von Papen Governments, when free fights, often with fatal results, between Nazis and Communists were common, no one was

allowed to pass the Berlin University gates without showing his student or membership card. Now visitors may enter without supervision, and are made generally welcome.

But there is one thing that no one may do. No one may do any thing by word or deed that is calculated to endanger the solidarity of the new State. This aspect of personal liberty must be looked at from within the frame of the great decision and purpose of the German people as expressed in the aims and policy of National Socialism. To understand this we must go back to 1920, to the little band of 7, who pledged themselves under the leadership of Adolf Hitler to work for the regeneration of Germany: to purge her political and social life of those foreign elements which were, they believed, responsible for a wholesale corruption and demoralisation of public life, alien to the German character, and not wholly or even mainly accountable to defeat: to reinspire the old German ideals of probity, resolution and courage throughout the nation, and above all to unite the whole people, regardless of age, class, creed or circumstance into one folk, having one mind, one purpose, one leader.

The Movement, itself a protest, a struggle and a hope, was from the first a revolt of youth. It was a deeper and wider development of the spirit of those young Germans who as far back as 1913 met together on the Meissner and pledged themselves "to mould their lives on the deepest and truest principles, on their own lines and

on their own responsibility." The idealism and courage of the Nazis combined with their organising capacity brought the peasants to their side and gradually won the support of the great bulk of the German people, grown weary and desperate under the corruption and futility of the so-called "democracy" with its 36 squabbling parties, that had been thrust upon them after the war. The final victory of Herr Hitler was greeted as the symbol of the resurrection of the German nation after the long shame of defeat and demoralisation.

The initial great work of the National Socialists was to compass the unification of the State. First, by the dissolution of all other political parties, and second by correlating the separate autonomous Provinces as channels to extend the will and programme of the new Government throughout the whole of the Reich. Up till this time the interest of the nation as a whole had often been ignored in the jealousies and disputes between the Provinces. Now no political rivalry is permissible or possible. All are regarded as equal members of the one body politic; and while each preserves its cultural characteristics and internal autonomy, all must unite, as corporate units of Germany, to promote the best interests of the country and so doing to honour a common national leader. This is regarded as the triumphant completion of the work begun by Bismarck.

It is, therefore, from the angle of the unity of the State that National Socialism regards the liberty of the individual. A Regulation was passed during the second half of last May, decreeing that any action against the State was illegal. The formation of a new party or the revival of an old one is prohibited. This regulation was especially directed against Communists, who were the

most active and violent of the parties in opposition, but it envisages all who would organise against the new Government. In order to ensure a united front in the face of common dangers and to preserve integrity in the expression of public opinion, special Commissioners have been accredited to the newspapers. Criticism of any action or measure of the Government, whether actual or proposed is permitted so long as it does not reflect against the policy of National Socialism as a whole, which every newspaper must support and further. In conformity with the same regulation persons suspected of plotting against the State are liable to have their houses searched, and should suspicious weapons or incriminating literature be found, such persons will be taken away to a concentration camp until their case is investigated, when they will be released, deported, or brought up for trial as the case may be. But is no discrimination or hatred against foreigners: everyone can live and do what he likes, provided he does not work against National Socialism. On the other hand, every German is expected, each in his own sphere to further the good of the community. Soon after the Nazis came into power, the Directors of a large factory decided to economise by dismissing 300 of their workmen. The Nazis, however, examined the accounts, and intimated to the Directors that their salaries were unnecessarily large, and that it would be more proper to reduce these and allot the money thus saved for the wages of the workmen they proposed to dismiss. The hint was taken: the Directors' salaries drastically reduced and the workmen kept on. The magnificent Radio Station and Exhibition Hall is now under new management. Here again the Directors have quite

modest salaries and the extra money thus available is used for wages and improvements.

To much that has been stated with regard to personal liberty an exception must be made in the case of Jews. An adequate consideration of this most involved and difficult question would need an article by itself. Many Jews have been deprived of their positions and those that remain are under certain restrictions. It is not a religious question. It is not a prejudice. It is a most serious problem. It is the revolt of the German people against predominating Jewish control and influence in the Government, in the municipalities, in law, in the press, in education, in short—in the cultural and administrative life of the nation. It is alleged that the revolution of 1918 was largely subsidised by international Jews. Certain it is that after it foreign Jews flocked into Germany and were naturalised in great numbers, and during the inflation period acquired not only a vast amount of property but, because of their international financial position and unique opportunities, the virtual control of the national situation. The Germans found themselves squeezed out, and

their cultural, political and social life dominated by a foreign minority, of a different race ; who are inspired by different and often conflicting ideals ; who use different methods and exhibit different characteristics from their own. That a rough and ready method was adopted to cope with this problem few will deny, that regrettable incidents occurred, Germans themselves were the first to admit and regret, but it must be realised that it was the desperate response to a situation that had become intolerable for a people determined to achieve their national regeneration, and “passionately opposed to any attempt on the part of others to alienate them from their German tradition.” (Adolf Hitler).

The new Germany appears to be as sincerely desirous of respecting the rights and liberties of others as she is steadfast in maintaining her own. She is today a poor and rather a friendless people, but full of courage in her new found self-respect. She believes that only through “Einheit,”—this co-operation of all under one leader for the good of the whole, can freedom be won and the highest ideals of the nation realised.



The Hitler-State

A LANDMARK IN THE POLITICAL, ECONOMIC AND SOCIAL REMAKING OF
THE GERMAN PEOPLE

BY PROFESSOR BENOY SARKAR

[It is at our request for a scientific interpretation of the recent developments in Germany that the following paper has been prepared for publication in our journal by Prof. Benoy Sarkar of the Calcutta University, Hony. Professor of Economics and sometime Rector at the College of Engineering and Technology, Jadabpur, Calcutta, who was for two semesters, 1930-31, Guest-professor at the Technische Hochschule (Technological University) of Munich on the invitation of the Bavarian Ministry of Education in co-operation with the Deutsche Akademie (German Academy).—*Editor.*]

I. Young Germany from Herder to Hitler

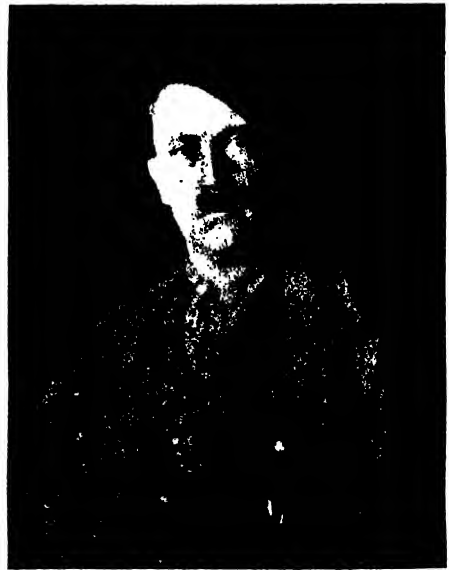
Nothing is more valuable to Young Bengal today than an objective examination of the Hitler-state in its political, economic and sociological bearings. Let us preface this study with an analysis of the diverse material and moral currents that have shaped the thoughts and movements of German youths from Herder to Hitler.

Thirty per cent of the German people may be described as young, *i. e.* lying between the ages of 20 and 40. This means that some twenty million men and women constitute the youth force of Germany. Almost each one of them is today a self-conscious person and functions as a member of one or other organization, professional or

social. But the sentiments and activities of Young Germany have been different in different epochs.

THE AGE OF GOETHE

During the romantic period (1770-1830) the ideas of "world-citizenship," on the one hand, and of the "national soul," "Gothic



Herr Hitler

spirit", "Christian outlook," "Nordic tendencies", "German culture", etc., on the other, were imbibed by the German youths from Herder, the social philosopher. From Goethe's *Goetz* the young men learnt to appreciate the freedom of the medieval

bandit and from his *Egmont* and *Hermann* the nationalist's attitude to world problems.

National independence was the burden likewise of all the dramas of Schiller, the poet *par excellence* of Young Germany through the ages. While Kant steered the German youths in what may be called the *Gita*, the discipline of "duty for its own sake" Hegel inspired them with the ideal of an omnipotent state. Last but not least, they fought the war of liberation from Napoleon's yoke under the influence of Fichte's *Addresses to the German Nation*. It was Fichte who established the *Jugend-Bund* (Youth League), thereby becoming the father of youth movements in the world. And in keeping with the spirit of the times the German youths learnt from Adam Mueller's *Elements of Politics* that economic policies were not universal but relative to the conditions of each nation.

FREDERICK LIST

The second period (1830-70) was that of the economist Frederick List and the *Zollverein* (Customs Union). The slogan of Young Germany was then two-fold: industrialization and unification. About this time the self-conscious youth-force was much enlarged in number on account of the educational and agrarian reforms of Stein and Hardenberg of the earlier epoch. And Young Germany was tutored by List's *National System of Political Economy* into the solid conviction that under certain circumstances protection was the only effective economic policy of a people.

BISMARCK AND SOCIAL DEMOCRACY

Young Germany was fired by the ambitions awakened by the Empire and the achievements

of capitalism and technology in the age of Bismarck. But the establishment of the *Sozialdemokratische Partei* (Social-democratic Party) by Lassalle served to a certain extent to offer a counterpoise and to help forward the expression of Young Germany's idealism in fields more or less marked out by Marx and Engels during the previous generation. Besides, Bismarck himself by instituting "social as-surance" assured to the working men and clerks a high standard of living and efficiency. By the time the Great War broke out Young Germany was a mighty factor numerically and culturally in technique as well as in economic staying-power.

POST-WAR DESPONDENCY

The post-war period of nearly half a generation was for the first five years (1919-23) a period of despondency and gloom following upon defeat. The German youth in despair went back in part to romanticism,--street-singing, camping in forests, *Wanderlust*, vagabondism, mysticism and what not. For some time these and allied activities began to be dubbed a veritable "youth movement." With the initiation of the Dawes Plan in 1924, however, came financial stabilization and economic recuperation and at the same time some cool-headed efforts at national upheaval and recovery from defeatism. The most successful of these has embodied itself in the personality of Hitler who, as the leader of Young Germany, made his *debut* in 1920 and today deserves already to be recognized as the maker of a new epoch.

HITLER THE GREATEST SINCE FICHTE

Hitler is the greatest of Germany's teachers and inspirers since Fichte. The situation today is somewhat complicated.

The woman question did not exist in previous epochs. Feminism is today a signal fact of social Germany, and has come to stay as elsewhere. Nor was the working class question ever so acute as today. These are two special problems before Hitler's Young Germany.

Otherwise, the fundamental question at the present moment is almost the same as with Fichte a century ago. It consists in the vindication of national honour *vis à vis* the neighbours. Hitler's problem is to undo the fact of defeat and lead Young Germany on to the recovery of prestige in international relations, thereby compelling the great powers to recognize Germany as their equal and colleague in world-diplomacy.

Whatever constructive programme, political, economic or social, Hitler and von Papen may develop,—and this however valuable in itself,—is but of secondary importance so far as Germany is concerned. All this may be taken to be simply as a bye-product of contemporary evolution, which is more or less inevitable in Germany at the present state of her technical and cultural advance, especially in the *milieu* of nation-wide unemployment.

II. The Meaning of the Nazi Dictatorship

THE CONQUEST OF THE REICHSTAG BY THE NAZI

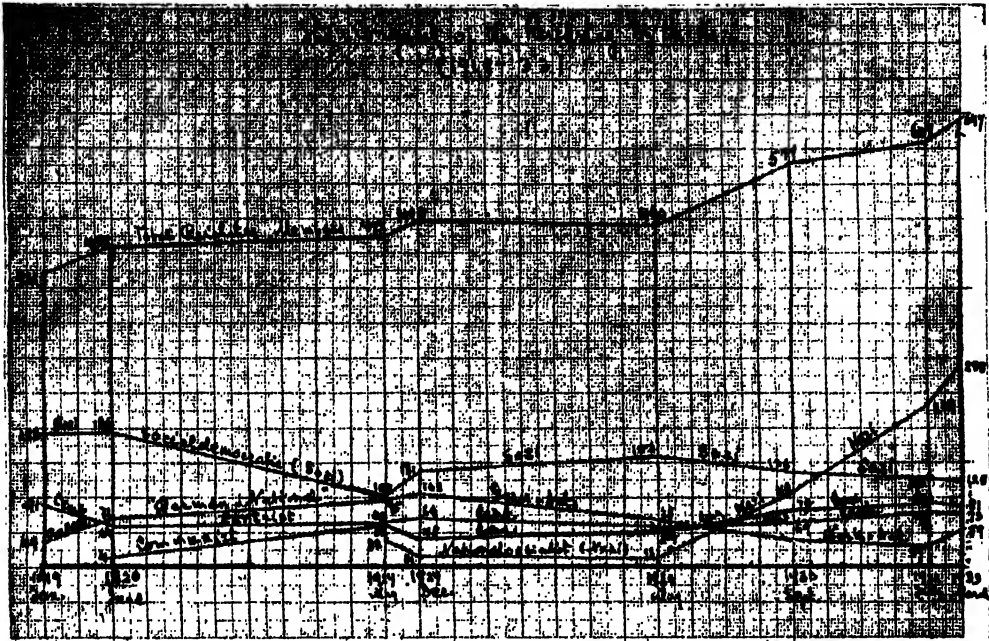
The phenomenal triumph of the *National-socialist* (abbreviated as Nazi) marks neither a palace revolution of the conventional type nor a military *coup d'état* of any sort. It is not possible to see in it an analogue of the sensational and revolutionary Fascist march upon Rome. The Nazi has had to conquer the German people and parliament inch by

inch, and the process of this slow but steady conquest has been thoroughly prosaic and constitutional. It is by regular and strictly legal parliamentary methods, canvassing, election, voting, party tactics, etc., that the Nazi has succeeded in wresting the enviable position for himself in the body politic from the hands of the parties in power.

In the first real post-war Reichstag of 1920 there were not less than ten parties. But in a total membership of 459 the *Sozialdemokratische Partei* (Sozi) or the Social-democratic Party towered above all the rest into solitary greatness with 186 members. Its rival, the redoubtable *Deutschnationale Volkspartei* (German-National People's Party) of the war-period had virtually dwindled into insignificance with 71 members. The Nazi movement was already officially established in that year but in the parliamentary elections was not yet a force. On the other hand, another Marxist party, but more radical than the Sozi, namely, the Communist, was represented in the Reichstag with just 4 members.

It was not before May 1924 that the Nazi was a power in the party politics of Germany. But down to 1928, *i.e.*, during the first period of currency stabilization, financial reconstruction and the Dawes Plan the Nazi as well as his spiritual if not formally, the German-Nationalist, as parliamentary powers, were being eclipsed by the two sections of Marxists, namely, the Sozi and the Communist.

The steep ascent of the Nazi curve from May 1928 to March 1933 has gone hand in hand with the slow and gradual fall of the Sozi in Reichstag membership. In the last general election the membership commanded by the Nazi was numerically higher



288 out of 647) than anything ever commanded by any political party in Germany. It is the *cœc populi*, ascertained in the most orthodox constitutional and democratic manner conceivable, that declared the Nazi to be the greatest power of the German people. A formal alliance of the Nazi with the tenacious although somewhat weakened German-Nationalist has served to establish a parliamentary majority which at last is pronouncedly anti-Marxist in tradition and programme. Marxism continues still to be formidable, however. Even the Reichstag of March 1933 had 125 Sozi and 81 Communists. The Reichstag has been put "in commission" by Hitler. But the *people's* mentality is Marxistic to the extent of nearly a third of the entire nation.

It was a strenuous tug of war conducted in the open air between nationalism and Marxism. Be it recalled that in order to

capture the state neither Lenin for his communism nor Mussolini for his fascism had to undergo such a clean and keen electioneering contest with organized rivals as Hitler for his Nazi. Both Lenin and Mussolini captured the state first and then perhaps the people. But it is first the people that Hitler had to conquer as a base of operations with a view to capturing the state. The difference is immense.

Incidentally, it is worth while to notice that the epoch of Nazi ascendancy commenced in 1928 with the emergence of economic self-consciousness about the time the Dawes Plan completed its first term. The mind of Germany was already ripe enough to attempt offering a challenge to the Versailles Complex as well as to the League of Nations. The epoch has been almost synchronous with that of world-depression. The international situation, economic, financial and political, is as

yet too nervous, panicky and demoralized to compel Young Germany back to its moods of Marxist defeatism and despondency. It is not a moment too soon that Hitlerism has been injected into German and world politics.

NATIONALISM AS ANTIDOTE TO "DEFEATISM."

The economic distress caused in Germany by the loss of territories, reparations payments, forced inflation of currency, etc. has been no mean factor in the remaking of Germany's mind and in the establishment of a state which would militate as much against the dehumanizing and demoralizing tendencies of political parties as against the humiliating conditions imposed on the German people by foreign dictators. Hitler's success registers the will of the overwhelmingly large majority of German men and women who are determined to develop their fatherland in a manner unobstructed by foreigners and without in any way interfering with the legitimate claims of neighbouring and other nations to their own self-development.

The "defeatism" of the German socialists and democrats *vis à vis* the Versailles Treaty has ever been combated by the nationalists of all denominations since 1918. Nationalist Germany has offered legion of martyrs to the cause of German honour and prestige. The triumph of Adolf Hitler in the first weeks of the current year represents but the last term in this series of strenuous and uninterrupted patriotic efforts on the part of Young Germany.

It is after a black eclipse of fourteen years that the German nation experiences a resurrection along the entire front of collective existence. The pangs of the soul to which elder statesmen like Tirpitz succumbed during

the worst days of national humiliation and disaster are now things of the past. Veterans of the age of Hindenburg can with confidence heave a sigh of relief and declare: "At last I have lived to see the day of my rebirth." International diplomacy is indeed already too well aware that in 1933 the Hitler-state, backed as it is by a vast majority of the German people, is even more powerful than the Kaiser's Germany at the outbreak of the Great War.

TWO TARGETS OF THE HITLER-STATE

The Hitler-state is a militant state. It is in order to fight the national disasters that the German people has been reborn. The first and foremost target of the Hitler patriots is the Treaty of Versailles and all the political, economic, social and moral indignities associated with the Versailles Complex of 1918. Not until the foreign relations of Germany, her frontiers, and external politics have been placed on a basis consistent with the honour of the German people, can Hitler and his comrades have peace in their hearts.

But in the mean time the Hitler-state has much spade-work to accomplish in internal politics also. Indeed, the achievements of the Hitler-patriots in home affairs are already of a profound character. In this field the first and foremost target is Karl Marx, or rather what is traditionally known as Marxist philosophy, sociology and organized institutions. Not until the political ideology of Marxism has been annihilated can the Hitler-state feel that its task has been accomplished. The annihilation of Marxism in Germany's internal social structure is with the Hitler statesmen a positive end in itself. It is, besides, a means to the realization of th

great external objective of the Hitler-state, namely, the reconquest of Germany's position and prestige in international politics and the re-establishment of her moral and political equality with the great powers.

HITLER THE ANTI-MARX

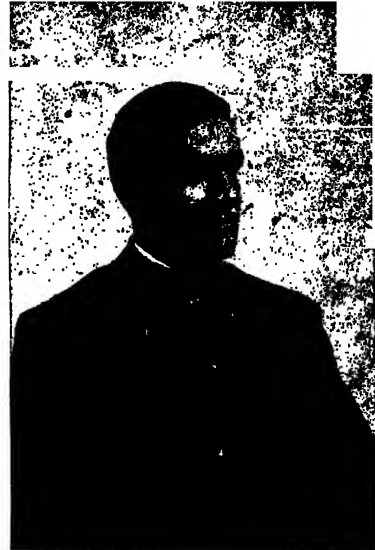
It is because according to Marxism the workingman has no fatherland that Hitler can have nothing to do with anything directly or indirectly bearing on Karl Marx, German "social-democracy," etc. To him the most important ingredient personality of in heat human being is the attachment of blood to blood, the sense of kinship with the members of the same race, and the devotion to the land of one's birth. Then, again, to Karl Marx as to the German "social-democrats" in general the only things that count are the material interest, of life. This materialistic materialism is veritable poison in the eyes of Hitler. In his mentality nothing is greater than the soul and the sense of duty that enables the individual to sacrifice everything material in the interest of higher values.

It is impossible to establish any compromise between Hitler with his spirituality, race-fellowship and patriotism and the system of Karl Marx which is through and through materialistic and which spells nothing but internationalism of the un-patriotic type. The Anti-Marx for whom Othmar Spann of Vienna has been crying hoarse for over a decade has at last been discovered in Hitler, the Austrian redeemer of the German fatherland. The patriots of every people on the surface of the earth will always find inspiration not in Karl Marx but in his antipodes, Adolf Hitler. It is to be observed that in German political

psychology Marxism, internationalism, social-democracy and of course communism are more or less convertible terms and imply but different phases of one and the same thing, namely, negation of patriotism, indifference to national interests, and antipatriotic disregard of the country's collective honour.

CONSTITUTIONAL REVOLUTION

The German Empire, as constructed by Bismarck, although a somewhat unified structure, continued to be a hotch-potch of dynastic systems. The republican revolutions of 1819



Prof. Benoy Sarkar

succeeded in liquidating the dynasties. The unification of the railways as well as of the currency and Reserve Banks served likewise to centralize the administrative and financial machinery to a considerable extent. But it was left for Hitler to accomplish the final consummation towards the goal of effective national unity. "States" of the Imperial Federation like Prussia, Bavaria, Baden, Thuringia, etc., have now been virtually

abolished and transformed into mere "provinces" of a country. None of these provinces are now permitted to have their *Landtags* (parliaments) and their ministries. Each is being administered by a *Statthalter* (provincial governor), who is nominated from Berlin, the metropolis of the German nation, by Adolf Hitler himself. Constitutionally speaking, nothing could be more revolutionary to a Prussian, Bavarian or Thuringian. For the first time in the thousand-year history of the Germanic peoples nobody in Germany today is a Prussian, Bavarian or the like. Everybody has become a "German," a category which did not exist in public law previous to the Act of April 1933. It is an irony of fate that the fulfilment of Bismarck's work for Germany should have waited for the advent of Hitler, the Austrian, the expulsion of whose people from the Germanic system was a crowning piece of Bismarckian statesmanship.

Not the least noteworthy feature of the present constitutional developments consists in the abolition or suppression of all parties, in the Mussolinian way, except the party of the *Fuehrer*, the German *duce* or leader, i. e., the Nazi Party. The revolution in this respect can be appreciated only by those who visualize the fact that since 1918 Germany has often been used to the politics of over twenty parties, of whom at least eight were prominent.

HITLER AND MUSSOLINI

It is by combating Marxism and "social democracy" as well as communism that Hitler has had to rise. The analogy with Mussolini is near at hand, because the Italian Fascist has likewise had to rise by combating the syndicalists and "red" trade unions of Italy.

Hitler himself has often pointed to the similarities or identities between his national-socialist movement and the work of Mussolini. The erection of a front against the Marxist ideology and institutions, class-hatred, class-war, etc. as well as the attempts to establish a *stato corporativo* or a *Staatendestaat*, the state of corporations or professional groups in mutual co-operation, are common to both the Fascist and the Nazi systems.

Further, Mussolini's tirade against democratic parliaments as nothing but rendezvous for *chiacchierare* or senseless talks and disgusting wordy combats is paralleled by Hitler's contempt for the parliamentary system as an institution for promoting the *Verzerrung* (distortion), nay, *Verdrehung* (perversion) of the people's will, as well as insecurity, absence of discipline, and destruction of every authority. The prohibition of *Recht der freien Kritik* (right to free criticism) and *zerstrende Kritik* (destructive criticism), on the one hand, and the inauguration of a regime of discipline, authority and absolute confidence in the leader, in one word, of dictatorship, on the other, are characteristics in which the Nazi should appear to be a twin to the Fascist in the world-politics of today. In the methodology of anti-democratic absolutism the identity could hardly be more perfect.

GERMAN INDUSTRIAL ORGANIZATION

It is superficially, however, that Hitlerism and Fascism should seem to be alike. For, Hitler is not a disciple of Mussolini in any significant sense. Nor is there any profound identity between the Italian and German youth-forces of today. The socio-economic and cultural *milieus* of the two countries

would account for the tremendous difference between Mussolini and Hitler.

There are nearly four thousand federations of employers in Germany. To these federations belong not less than thirty thousand industrial companies. Each of these federations is an association of associations. The *Reichserverband der Deutschen Industrie*, for instance, is a federation of some fifteen hundred associations. In addition there are some five hundred chambers, like chambers of commerce, which are compulsorily formed in accordance with the provisions of German business law. The name of other such organizations, compulsory or free, is legion.

The unions of "workingmen" have a membership of some six millions, those of "clerks" a million and a half, while the same number belongs to the unions of "officials". Some nine million men and women are thus unionized as wage-earners or salaried persons in Germany. In the perspective of this hyper-organized and super-modernized Germany Italians may be said to be living still in the fourth quarter of the nineteenth century. Mussolini's patriotism has first and foremost a huge social and economic reconstruction to accomplish in the villages and towns of Italy along the standardized German and British lines of progress.

GERMANY NOT FOLLOWING ITALY

Hitler's problem is chiefly external. He has but to get the frontiers of Germany rectified and the prestige of the German people enhanced in mankind's political estimation. But with Mussolini the chief problem is internal. The Italian *duce* knows that his country is comparatively undeveloped in technique, sanitation, industry

and business organization. Twenty-seven per cent of the Italian people is still illiterate. Social assurance in Italy is as yet in infancy. Mussolini's greatness lies in realizing these and other facts in the most objective manner and trying to raise the standard of the Italian people on the entire front as high as possible. In German society, however, such elementary educational, sanitary or industrial problems do not exist. With Hitler, so far as any internal problem exists, it is only to make the Germans, especially the older generation, forget that they were defeated in war, and energize them up to their actual material and spiritual worth, which is incontestably high by the world-measure. He has but one contribution to make and that is to exorcise out of the German mind the inferiority complex which has attacked it of late in certain quarters.

In technocracy, rationalization and trusts Young Germany has attained to the highest level conceivable. The "second industrial revolution" is being consummated in Germany in a steady manner. Even without Hitlerism the societal structure of the German people is being keyed up to higher and higher planes. All this transformation belongs almost to the inertia of progressive peoples.

Hitler, used as he is in personal life to the proletarian and most modest manner of living as well as to intimate comradeship with clerks, workingmen, peasants, employed and unemployed, may even consider it necessary and has, of course, found it quite possible, as we shall notice later, to somewhat lower the German standard of comfort without impairing the national efficiency. Fascist Italy's ambition, on the contrary, is to elevate the people's standard of living by all means in order to

improve the physical health and moral stamina.

HITLER = VIVEKANANDA MULTIPLIED BY
BISMARCK

Germany possesses too many engineers, technical experts and economists, medical men, schoolmasters and statisticians, inventors, discoverers, Nobel Prizemen and so forth.

The Germans do not need any more of such persons for the present. What Young Germany needed badly was the moral idealism of a Vivekananda multiplied by the iron strenuousness of a Bismarck. And that has been furnished by Hitler, armed as he is with two among other spiritual slogans, namely, self-sacrifice and fatherland.

(To be concluded)

VALUE OF ADVERTISEMENTS

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PRESIDENT ROOSEVELT

(To the Advertising Federation of America).



Insurance and Fate

By FRANK C. BANCROFT, JR.

There is a droll story in the *Panchatantra*, that ancient Indian treasure-trove of children's stories replete with adult wisdom, entitled, "The Weaver Who Fought Against Fate". After several heated debates between *Karman* and *Karla* (in dreams, of course) it is gratifying to report that the weaver won his battle, proof-positive that India herself, with all her belief in fate, has never been its blind votary. And it is in the confidence that Indians, as human beings, wish as far as possible to control their earthly destinies, that the present article is written.

Now it is certainly not my purpose to attempt to prove that man, by the most ingenious and comprehensive application of all human means, can insure happiness and fullness of life. We all know individuals who possess sound health, sufficient wealth, a good education, and extraordinarily good luck, who still manage to be abysmally unhappy. Insurance cannot manufacture happy human beings; but what it can do is this (and the importance of it can scarcely be overestimated)

—it can prevent a huge preponderance of the conditions and accidents which produce ninety-nine per cent of the unhappiness. In other words, it can go far in making happiness possible. If man fails to be happy in an adequately insured world (few perhaps realize how much the simple term conveys) he can be set down as simply perverse and not worth any further consideration.

Let me try to point out what I mean. In doing so, I shall go at once to examples,

of which twelve have been selected. They may be divided as follows: Obvious Individual Cases; Obvious Social Cases; Remote Individual Cases; Remote Social Cases.

OBVIOUS INDIVIDUAL CASES

(1) In the prime of his vigour and productiveness, a person having to support a wife and six children is run over and killed by a bus. His wife leaves her comfortable home, moves into a poor hovel, farms out her children to different relatives, and curses fate. As a matter-of-fact, a modest-sized life policy could have greatly minimized the economic results of the disaster. This is so simple as to need no further treatment.

(2) By the industry of ten years hard work, a man establishes an attractive cloth shop and is doing a very profitable business. Unfortunately, one of his workmen smokes *biris* and is careless enough to toss the stub of one of them into a pile of old strips behind a box. In two hours stock, books, correspondence, and securities have all gone up in smoke. The man is reduced to direst poverty and ekes out for awhile a precarious existence from the charity of former customers, cursing fate with every breath. He should have realized that his goods and shop were inflammable and carried a modest fire policy. The same is of course true of theft, cyclone, lightning, etc.

(3) A clerk raises a large family of

children and aspires to give them all a superior education. He relies on the slender hope of advancement in salary adequate to meet the increasing financial need. Instead of the expected increment, however, as the older children reach adolescence he loses his post due to failing eyesight, and has to put his children to work in posts without promise. He curses the fate which treats him thus, but never thinks that an endowment policy begun in the years when his expenses were relatively little, would have matured by this time and presented him with funds adequate to bring his dreams to fruition.

OBVIOUS SOCIAL CASES

(1) A boiler explodes in a mill, killing three employees and seriously maiming a dozen. Fifteen families are engulfed in grief and penury, and five hundred relatives and friends go about cursing fate. If the labourers had demanded industrial accident insurance before engaging upon their dangerous occupations, the employer would probably have consented, either through humanity or compulsion. Then there would have been adequate compensation all around.

(2) At the present moment the peasantry of Orissa is suffering cruelly from floods, and after these will have subsided, the wake of misery will be universal and the duration of it will be long. There should be two kinds of social insurance to meet this exigency. In the first place, remedial action should be taken on a large scale, and should not come through the beneficence of paternalistic philanthropists, but through solid social insurance in the shape of substantial taxation of the rich to meet the needs of

the poor in such emergencies. But *ex post facto* insurance is not enough; thorough investigation of the geological and meteorological causes of the repeated debacle should be determined, and, by means of dams, canals, etc., recurrences should, as far as possible, be prevented.

(3) A little village in Burdwan goes happily about its task of paddy-cultivation. Suddenly cholera demolishes one-fifth of the population and debilitates another fifth. The elders congregate to bemoan fate. Cholera has been going a long time and not a little first-class research has revealed much about its causes, prevention, and cure. Society must build fewer memorials and must pour more money into social insurance in the form of epidemic prevention.

REMOTE INDIVIDUAL CASES

(1) A young man in the process of shaving leaves a tiny cut on his chin undressed. Within thirty-six hours he is dead. Every one of his large joint-family blames fate. In addition to the very simple insurance of applying a disinfectant, there is another factor. We all know that human life is surrounded by a bacterial flood which constantly threatens our very existence. To make any one house relatively safe from such invasion, we will have to insure society in such a way as to clean up every house, and to eliminate the hovels.

(2) Having been welcomed and more than welcomed on Tuesday by his beloved, dan then repulsed on Wednesday, a young man throws himself into the Hoogly on Thursday. The girl curses her fate for having used her as an "instrument" in such a tragedy, and the boys' parents curse theirs for having endangered him. In reality, if society had

insured the proper upbringing of either of them through a sane system of education and social life, the tragedy would not have happened. Had she been less fickle (the result of neurosis, social fear, etc.) or he less romantic, he would no doubt be enjoying her company, or that of her superior, at this very moment.

3) As the date of birth arrives, the fond husband and expectant father makes every possible provision for a safe delivery. The wife is given the best prenatal foods and taken to the best maternity hospital. But both she and the child perish. "Fate," says the husband, thinking that all human precautions had been taken. As a matter-of-fact, the woman-who-might-have-been-a-mother had been deliberately insured *against* it by the unwisdom of her father, her husband and her teachers. Successful delivery is primarily a matter of strength and health. But she had spent her youth alternating between the classroom of her school and the window-bars of her house. Then her husband married her and pampered her (if he did not abuse her in a worse way). She was uninsured. She died.

REMOTE SOCIAL CASES

(1) Few of us are exempt from the icy touch of the Depression of 1930-33. Some say the world is fated to end because of the

Wars which will result from it. But a little intelligent international planning and insurance would have prevented it. There has been no sudden rise in population or decline in commodities. The earth still brings forth enough and more than enough for human need. But we failed to get together and talk and plan it out from the viewpoint of mutual benefit. So we suffer.

(2) Many lakhs of beggars in India ask for our pity upon their miserable fate, and we give them a pittance secretly hoping to improve our own. But India could easily insure herself against vagrancy. Those who are *badmashes*, put in jail; those who are invalids, either mental or physical, put into proper institutions; those who are fit to work, give work, in the form of public construction. Where to get the money? Tax the rich, tax the rich, *mercilessly* tax the rich. If they refuse to be taxed, put an end to them:

(3) The Awful War of 1914 was not the result of fate, and it could have been prevented by international insurance; the next, which will be the Most Awful War of 19—can and must be prevented, or humanity will never again have to worry about fate or anything else. Let every nation on earth tax the rich to raise a sufficient fund to prevent their once more using the poor as their pawns for further self-aggrandizement.



Toilet Soap from Cotton-Seed Oil

By PROFESSOR BANESWAR DASS, B. S., CH. E. (ILLINOIS, U. S. A.)
Professor of Applied Chemistry, College of Engineering and Technology, Jadavpur

AND

NIL RATAN KAR, A. M., CH. E., CHEMICAL ENGINEER

India produces oil-seeds to a much greater extent than any other country in the world, both in variety and quantity. Of the oil-seeds produced in this country, the cotton-seed is the highest in quantity. In the world's cotton-seed production, India's place is only second to the U. S. A., but very little use is

made of this seed in this country, though it has a greater commercial value and wider range of application, such as in making edible fat, soap, lubricator, cattle feed, fertilizer, etc., than any other seeds.

The following figures indicate the world's cotton-seed production in various countries.

Country.	PRODUCTION IN HUNDREDS OF TONS							
	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
U. S. A.	40,841	54,894	64,875	72,475	52,245	58,377	59,783	57,407
India	21,818	25,774	26,275	21,240	25,210	24,570	20,960	20,444
China	10,000	10,987	10,670	8,795	9,468	9,313	9,500	...
Egypt	6,071	6,712	7,321	7,075	5,607	7,412	7,839	7,542
U. S. S. R.	989	2,162	3,955	3,787	5,816	5,515	5,761	9,033
World	87,400	109,200	122,740	122,870	105,670	115,390	113,600	115,900

The following figures indicate the export of Indian cotton-seeds in tons, and values to British Empire and other countries.

		1925-26.	1926-27.	1927-28.	1928-29.	1929-30.
British Empire	Tons	193,580	43,533	149,900	120,756	57,758
	Rupees	21,442,546	3,972,326	14,201,541	12,337,230	5,484,900
Other Countries	Tons	3,613	7,017	3,052	10,557	60
	Rupees	368,405	554,639	268,435	923,047	5,838

From the above statistics it is apparent that India's cotton-seed production is more than half of the U. S. A., more than three times of Egypt and about one-fourth of the world's total production. It is a national loss to allow such a huge quantity of cotton-seeds to be wasted which could be usefully utilized.

From the history of the cotton-seed oil industry it is found that the method of

cooking and pressing of cotton-seeds were known prior to 1830. But before 1860 practically none of the seeds were crushed for the commercial utilization of the oil and was considered as useless waste product. The United States of America was the first to use it for its successful industrial application. Later on, this industry was also taken up by England, Germany and France.

In 1927 about 79 per cent of the crop

was so utilised in the U. S. A. and it is now the most important vegetable oil in volume of production of the country as that country consumes practically all the oil produced.

The decline in export of cotton-seed oil from the United States has been a noticeable characteristic of international trade in vegetable oil and oilseeds since 1913. It is expected that such a condition will happen in the case of India also, when proper field of consumption of the cotton-seed oil suitable for this country is developed and the problem of utilization is seriously taken up by the enterprising Indian financiers.

Crushing of cotton-seeds though nearly a century old has a recent history in India and is not yet a well developed industry in this country. First attempts seem to have been made by Messrs. A. S. Jamal & Brothers, who with a capital of about Rs. 150,000 started a factory at Myingyan, on the Irrawaddy in Burma. The daily capacity of the plant was 30 tons and its average expenses of crushing were about Rs. 6 per long ton. From each 100 lbs. of seeds 17 lbs. of oil and 47.5 lbs. of decorticated cake were produced. Hulls were used for fuel and oil cake was shipped to Japan as fertilizer and cattle food. The oil was chiefly used in the manufacture of soap and lubricators with an annual income of Rs. 150,000.

The possibilities of an extended cotton-seed industry in the land were indicated by late Mr. Noel-Paton, Director of Commercial Intelligence of the Government of India, who published a series of articles on the subject and as a result a model Cottonseed Mill was established by the Government at Cawnpore in 1908. Other private concerns were also started. Messrs. Tata & Company established a mill at Kurala near Bombay and manufac-

tured refined oil and decorticated cotton-seed cake from the Indian seed. The oil gained a favourable local market and the cake was exported to England. After running for about three years the Company found it not paying and abandoned the enterprise. Other two factories were started at Baroda and Broach with fully equipped up-to-date machineries, but failed due to lack of knowledge and experience in the management of cotton-seeds. The Model Mill at Cawnpore also met with the same fate.



Professor Bancswar Dass, B. S., Ch. E.
(ILLINOIS, U. S. A.)

In 1909 the Cotton-seed Oil Company of London erected a factory near Bombay. Though it seemed prosperous, it was suddenly closed down in 1913. During the same period the Indian Cotton Oil Company

put up a plant with the most modern machineries at Navasari, Ahamedabad. At the beginning its nominal capital was Rs. 200,000 which was subsequently increased to Rs. 10,00,000 in 1912 and out of this only Rs. 400,000 were subscribed by Indians. The Company is paying regular dividends of 7 per cent.

This short history of cotton-seed crushing industry in India, is full of unsuccessful attempts by many concerns, but the various causes which led to their failure were mainly due to inexperience and mismanagement of the process, use of unsuitable and inefficient machineries and lack of suitable market for the oil and the cake in the country.

Cotton-seed oil is produced commercially by four different methods, *viz.* : -

- (i) Hydraulic pressing.
- (ii) Expelling of the oil with the pressure expeller.
- (iii) Solvent extraction.
- (iv) Release of the oil from the seeds by bacterial fermentation.

The best mechanical method can recover only 85 per cent of the available oil from the seeds whereas, by the solvent extraction process 96 per cent of the oil can be easily obtained.

The Indian cotton-seed contains :

	Per cent.
Oil	15.00
Lint	1.50
Meal	36.00
Hulls	47.50
	<hr/> 100.00

Analyses of cotton-seed meal and hull :

	Cotton-seed Meal	Cotton-seed Hull
Nitrogen	6.79 p. c.	0.69 p. c.
Phosphoric acid	2.88 p. c.	0.25 p. c.
Potash	1.77 p. c.	1.02 p. c.

Cotton-seed oil has good keeping qualities and contains—palmitin, olein, linolein and also some stearin. The palmitin commences to separate below 10° C. The refined oil is of pale yellow colour which is 20 to 30 times less fluid than water.

The analytical characteristics of the oil are :

Sp. gr. at 15° C.	0.913—0.930
Ref. Index	1.474—15°
Setting point	0°
Sap. No.	191—196.5
Iodine absn p. c.	104—113.
Titer value	33—38°
Acid No.	2—6

Non-saponifiable matter 0.7 to 1.64 p. c.

The percentage of different fatty acids present in the oil are :

Saturated acid

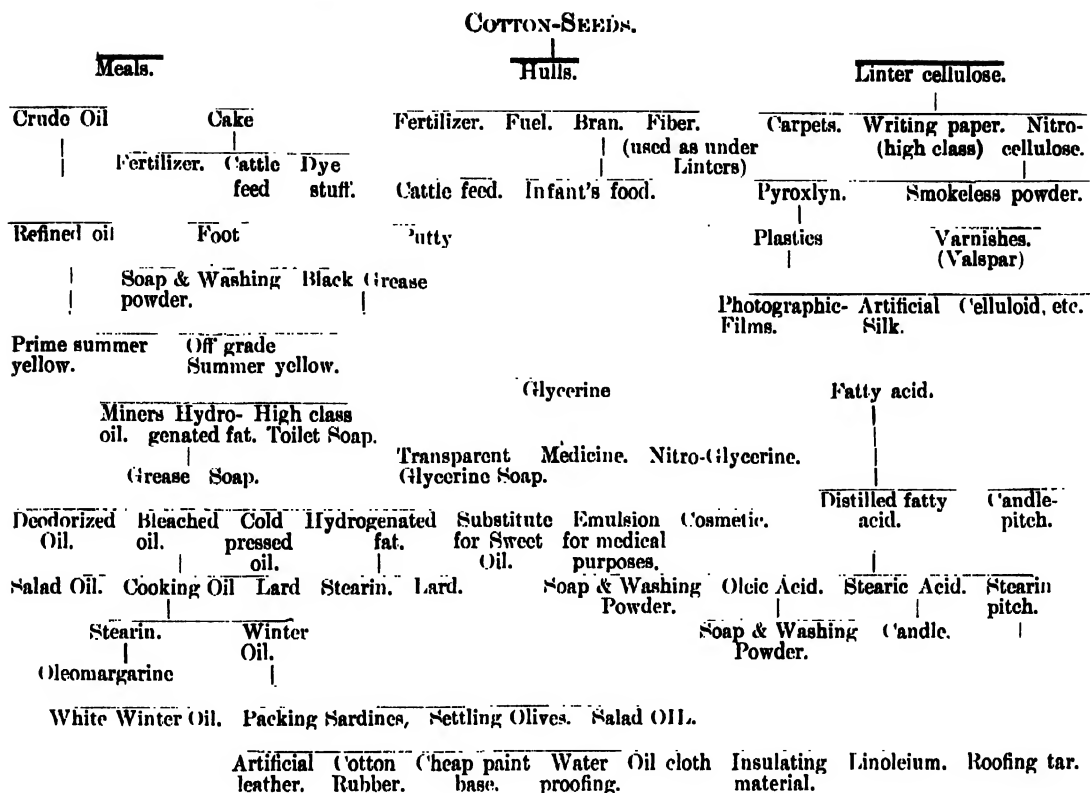
	C H O	
Palmitic acid	16 32 2	23.4

Unsaturated acids

	C H O	
Oleic acid	18 34 2	23.0
	C H O	
Linoleic acid	18 32 2	53.6
		<hr/> 100.00

A suitable and extensive field of consumption of this oil will be to use it in making high class toilet soaps. As the oil can be made at a very low cost, soaps made with it should also be cheap. Thus it should be possible for us not only to stop the import of soaps from abroad but to export the same to the foreign countries.

The following chart shows the various forms in which cotton-seed oil can be used for making soap of various grades and qualities and also for other industrial purposes.



From the above chart it will be clear that the cotton-seed oil can be put to a number of following uses :

- (i) Edible use, Butter and Lard substitutes.
- (ii) Soap making.
- (iii) Lubricator.
- (iv) Oil cloth, waterproof and linolium.
- (v) Artificial leather and Insulating materials.
- (vi) Roofing tar, paint base, etc.
- (vii) Candle-making.

The cake can be disposed economically and profitably for manural use and as cattle feed.

The linters are readily disposed for making carpets and also for cellulose products.

The difficulty lies in the disposal of oil

as there is no demand for it at present. However, the prospects for its use as an edible product and in soap-making appear to be indeed very good.

The masses of India generally suffer badly from fat deficiency. Ghee consumed in this country is so expensive that it is beyond the purse of the poor. So a wholesome substitute of ghee in the form of "Vegetable ghee" made from cheap Indian cotton-seed oil containing all the nutritive qualities of natural ghee will not only be a good business proposition but also a great humanitarian work. The annual value of imported vegetable ghee in this country is well above 2 crores of rupees. This drain of money from this country can thus be entirely stopped.

This cotton-seed oil is quite suitable for soap-making in India due to the following reasons :

(a) This oil is very cheap and can be had at a very low cost provided the bye-products, namely, cakes, and hull can be sold at reasonable prices consistent with their manual value.

(b) This oil is easily saponifiable.

(c) After the saponification the soap is readily salted out with small addition of salt.

(d) Soap made from this oil has a greater detergent-property, lathering power, soothing effect on skin, etc. than that made from many other oils and fats.

EXPERIMENTAL DETAILS

An experiment was conducted in the industrial laboratory of the College of Engineering and Technology at Judavpur to determine the possibilities of utilising Indian cotton-seed oil in making toilet soaps.

The soap boilings were made first in a small experimental steam kettle designed for the purpose with a capacity of 8 gallons.

The kettle was fitted with both the direct and indirect steam necessary for soap boiling. In order to maintain proper temperature of the soap for a prolonged time, essential for the saponification, salting, strengthening and fitting operation, the kettle was well lagged with asbestos.

At first small charges of soap were made in this kettle using Cotton-seed oil, Coconut oil, Groundnut oil, Castor oil, Palm oil, Mohua oil, Sesame oil, Kusum oil, Karanja oil, Neem oil and Linseed oil, separately and the products were carefully examined.

The oils and fats used in our experiments were wholly derived from vegetable stock,

excluding completely animal fats such, as tallow, lard, etc.

Our experimental procedure may be briefly described as follows :

1. To carry out properly the process of saponification, salting, strengthening, fitting, etc. of different vegetable oils treated separately.

2. Examination of soaps made from different oils and also the process of their saponification.

3. A study of the chemical, physical and physico-chemical properties, such as moisture, hardness, texture, emulsifying power, wetting power, lathering power, detergent value, sweating, solubility, etc. of these soaps were made.

4. Making soaps of proper quality and consistency from a number of mixtures of vegetable oils instead of individual oils.

5. Testing of the soaps made from mixtures of vegetable oils and comparative study of qualities with some standard imported soaps, such as Pears and Lux.

6. From the best results obtained from the study of soap-making as stated above, manufacture of finished toilet soaps on a comparatively large scale was next undertaken.

The crude cotton-seed oil was found to saponify readily with Alkali but the refined oil required more time. This was due to the fact that a large amount of free fatty acids were present in the crude oil. But when the oil crude or refined was saponified in admixture with other readily saponifiable oil the reaction of the Alkali was much more rapid. It was found that the presence of coconut oil, Mohuwa oil and Palm oil hastened the saponification to a great extent. Refined cottonseed oil without admixture with

other oils may take 8 to 10 hours to saponify to completion whereas in the case of mixtures, saponification requires only 5 to 6 hours. We found that in the case of refined oil the completion of emulsifying stage and commencement of forming a hasty mass began after a continued boiling for 9 hours.

Some workers maintain that cotton-seed oil soap is difficult to salt out even with a large addition of salt, but we encountered no difficulty in salting out. It is also claimed by them that the fresh white soap becomes yellow on drying and has a peculiar bad odour. Only in one instance when the soap was made from a crude sample of cotton-seed oil, two years old a bad odour was felt. A yellow colour did develop on the surface of this soap (made from old cotton-seed oil) after it was stored for three months. But no such developments were noticed in the soaps made from fresh cotton-seed oil. So these defects may be due to two causes, namely, firstly due to the oil being too much rancid and secondly due to the saponification being incomplete.

The soap made from refined oil developed no such yellow stain and the odour of the oil was perceptible to a very slight extent during the milling operation, *i.e.*, when a large amount of surface was exposed to air and the soap was raised to a high temperature by the friction caused in the milling machine. The soap made from cotton-seed oil was of softer consistency and comparatively more soluble in water than palm oil soap but nearly equal to the soaps made from the fatty acids of cocoanut oil and had a very refreshing and soothing effect on the skin. It produced a thick lather, the size of the bubble being smaller than that of cocoanut oil soap but very persistent. The soap has got a good

and firm texture. The detergent property of this soap was much higher than that made from many other oils which we have tested. Only the palm oil soap was nearly equal in value to this soap as regards its detergent power. The soap made from pure cotton-seed oil had a peculiar property of sweating. After storing the soap for a few days, small droplets of water accumulated on the soap cake.

The soap from cotton-seed oil can be manufactured at a low cost and in quality it can be as good as the best quality of imported toilet soaps provided its hardness is improved and the sweating property and the slight odour are removed. Hence further experiments to eliminate these bad qualities of cotton-seed oil soap were undertaken.

From the experience gathered during the study of soaps obtained from individual vegetable oils, several compositions were made keeping the proportion of cotton-seed oil the greatest. The cotton-seed oil used in these experiments was crude and unrefined.

Some of the compositions made are given below :

No. 1	<i>Per cent.</i>
Cotton-seed oil	40
Mohuwa oil	35
Cocoanut oil	25

The soap obtained was softer and more soluble than Pears or Lux, and their lathering power not so good.

No. 2	<i>Per cent.</i>
Cottonseed oil	50
Palm oil	30
Groundnut oil	20

The soap was soft and more soluble than the standard soap; their lathering property was not so very satisfactory, but their texture was decidedly better.

No. 3	<i>Per cent.</i>
Cotton-seed oil	40
Palm oil	30
Groundnut Oil	20
Castor Oil	10

The soap was of a considerably better texture than No. 2, but in quality no better than No. 2.

No. 4	<i>Per cent.</i>
Cottonseed oil	40
Palm oil	25
Groundnut oil	10
Karanja oil	15
Cocoanut oil	10

The soap was of softer consistency and of better texture and lather, but the peculiarly bad odour of the Karanja oil was persistent. The soap gave a yellowish color due to the presence of Karanja oil. The saponification in this case was more rapid than in the previous operations.

No. 5	<i>Per cent.</i>
Cocoanut oil	50
Cottonseed oil	50

The soap saponified readily but much difficulty was experienced in salting. The soap retained salt in considerable quantities and yet gave a good lather. The texture was not so very good.

No. 6	<i>Per cent.</i>
Cotton-seed oil	40
Cocoanut oil	20
Groundnut oil	10
Mohuwa oil	10
Palm oil	20

This soap also retained much salt but was of better quality than No. 5.

No. 7	<i>Per cent.</i>
Cotton-seed oil	40
Cocoanut oil	15
Mohuwa oil	20
Groundnut oil	13
Palm oil	12

This soap possessed better qualities than those obtained from the above mixtures, had good texture and was devoid of any rancid smell. But its hardness, though improved, was slightly less than that of standard soap. This soap was also not free from salt.

No. 8	<i>Per cent.</i>
Cotton-seed oil	60
Hydrogenated cotton-seed oil	20
Palm oil	10
Mohuwa oil	5
Cocoanut oil	5

This composition gave distinctly better soap than any other made before including No. 7 and its hardness was equal to that of standard soap even when the moisture-content was higher than that of the standard soaps.

The 20 per cent oils used consisting of palm oil, mohuwa oil, cocoanut oil together with 20 per cent. hydrogenated cotton-seed oil eliminated the sweating property completely and improved the hardness to the extent necessary for a toilet soap of superior quality.

No. 9	<i>Per cent.</i>
Cotton-seed oil	60
Hydrogenated cotton-seed oil	20
Cocoanut oil	15
Mohuwa oil	5

This soap had the same hardness as that of No. 8. But it was better than No. 8 in lather, solubility, etc.

No. 10.	<i>Per cent.</i>
Cotton-seed oil	60
Hydrogenated cotton-seed oil	20
Cocoanut oil	12
Groundnut oil	3
Mohuwa oil	4
Castor oil	1

The soap made from this mixture was the best of all the soaps made in every respect.

This composition was repeated and the same result was obtained. It was further repeated on a large scale and soap possessing the same good qualities was obtained.

This soap has got all the good properties which should be present in the high class toilet soaps. Thus the use of 20 per cent hydrogenated cotton-seed oil and 20 per cent oils consisting of cocoanut oil, mohuwa oil, Groundnut oil and castor oil solved the problem.

The special feature of this soap is that it is more lasting and imparts more soothing effect on the skin than the toilet-soaps of the best quality available in the market.

CONCLUSION

The composition of the salts of fatty acids in a soap determines its ultimate properties. No soap made from a single fatty acid or one individual fat can give all the good properties necessary for a high class toilet soap.

Soaps made from different fatty acids or fats have different physical properties, such as hardness, texture, solubility, detergent value, and lathering power. And their rate of saponification, capacity of retaining salt, alkali and moisture vary widely even when the boiling is made under the same physical and chemical conditions. So, in order to get favourable boiling conditions and proper quality and consistency of the ultimate product, suitable blending of different fats and fatty acids is extremely essential.

Cocoanut oil contains 51 per cent. Lauric acid; Groundnut oil 60 per cent. Oleic Acid, Castor Oil 85 per cent. Ricinolic acid, Cotton-seed oil 53.6 per cent. Linoleic acid, etc., and the physical properties of the soaps made from these fats separately have wide range of

variation due certainly to the presence of different fatty acids.

By mixing these fats in different proportion, such adjustment in the composition of the fatty acids can be made, as to impart to the resulting soap desirable properties of a good toilet soap and to eliminate the bad properties.

Besides the good properties of lathering, detergency and soothing effect of cotton-seed oil soap, other qualities such as hardness, etc., are obtained by the addition of fats, such as cocoanut oil, mohuwa oil, hardened fat etc.

Thus hydrogenated cotton-seed fat increased the hardness and decreased the solubility and hastened the saponification reaction. Cocoanut oil increased its hardness and reaction velocity. Castor and Groundnut oils, imparted better texture and mohuwa oil made the reaction rate more rapid.

Saturated fatty acids are more readily saponifiable than the unsaturated fatty acids. Soaps made from saturated fatty acids are less soluble than those made from unsaturated fatty acids. The presence of unseaponified fatty acids as well as salts of some fatty acids in more or less quantities and the presence of excess of NaOH and NaCl in the soaps may cause the sweating. But good saponification reactions and proper blending of the fats can eliminate the sweating effects. Thus toilet soap possessing as good qualities as those present in the high class imported soaps can be obtained from exclusively vegetable oils consisting mainly of Indian cotton-seed oil.

AN ESTIMATE OF A SOAP PLANT

Capacity half a ton of Toilet Soap per day of 24 hours.

Initial Capital investment.

for machineries :

	Rs.
1. Steam Kettle capacity 50 mds. complete with steam coils direct and indirect	700
2. Boiler (500 lbs. steam per hour)	1,500
3. Steam Engine or motor	1,000
4. Frames (Tin lined wooden), capacity 10 mds. each, 10 pieces	150
5. Slabbing machine (Two)	50
6. Chipping machine	150
7. Drier	1,500
8. Milling machine	1,500
9. Mixing machine (Crutcher)	500
10. Plodding machine	750
11. Cutting machine	50
12. Stamping machine with Dies, etc.	500
13. Storage tank for lye and salt solution, etc.	700
14. One boiling kettle for washing soap	400
15. Other equipments	500
	<hr/>
	9,950
Say	10,000
16. Building (Tin shades)	4,000
17. Running capital	25,000
18. Miscellaneous	1,000
	<hr/>
	40,000

RAW MATERIALS AND COST OF MANUFACTURE PER CHARGE

1. Fats for a charge of 50 mds. finished soap.	
(i) *Cotton-seed oil 30 mds. at Rs. 11 per md.	330
(ii) Hydrogenated cotton-seed fat 10 mds. at Rs. 25 per md.	250
(iii) Oils other than Cottonseed 10 mds. at Rs. 12 per md.	120
	<hr/>
	700

* The present-day market price of cotton-seed oil is Rs. 11 per md, it can be had at the rate of Rs. 8 per md. if the process of recovery is conducted in the proper way and the bye-products are sold. *Vide* Crushing of Indian Cotton-seeds and the Commercial Utilization of the Products Obtained" by Baneswar Dass, B.S.Ch.E. (Illinois, U.S.A.) and Bhim Sain Mehra A.M.Ch.E.

2. Alkali for 50 mds. charge NaOH 10 cwt.	140
3. Salt 14 mds. at Rs. 2½ per md.	35
	<hr/>
	175
4. (i) Colour 1 lb. at 1 oz. per 100 lbs. of soap	5
(ii) Perfume at 1 per cent. of the wt. of soap 40 lbs.	600
	<hr/>
	605
5. Labour, fuel and miscellenous expenses per charge	250
6. Depreciation on the machineries per charge	30
7. Interest per charge	50
8. Advertisement, etc.	200
9. Packing, etc.	350
10. Commission, etc.	700
	<hr/>
	1,580

Total expenses per charge	3,060
Selling price of 50 mds. of soap at Rs. 75 per md.	3,750

Profit per charge	690
For 50 charges per year Annual Profit 690×50	34,500
Therefore, profit on the capital investment 86 per cent.	

Price of finished soap at the present market rate for high class toilet soaps is well above Rs. 80 per md. But in above calculation the price has been taken at only Rs. 75 per md.

Eye-products obtained per charge in the form of scrapings, washing soaps, etc., will also add to the profit.

The yield of finished soap per charge will be actually higher than 50 mds. But making allowances for unforeseen losses, etc. it has been calculated at only 50 mds. per charge.

If the concern makes, say, only 25 charges per year instead of 50 due to various difficulties such as market conditions, financial handicaps, etc., even then it should be able to make a profit of more than 40 per cent on the investment.

Jute Export Duty and Bengal's Finance

By "SURAVEE"

The proceeds from the Jute Export Duty have, since the inauguration of the Montagu-Chelmsford Reforms, served as the bone of contention between Bengal and the Central Government. The wisdom and propriety of the Meston Award allocating the entire proceeds from the Duty to the Central Exchequer have even been seriously questioned by the people and the Government of Bengal, and the claim of Bengal to the proceeds from the Duty has persistently been put forward both by the official and the non-official exponents of Bengal's views. It was, therefore, with some amount of satisfaction that the proposal contained in paragraph 137 of the White Paper Proposals explicitly providing for the allocation of at least half of the proceeds from the Duty to the Provincial Exchequer was welcomed by the Bengal public opinion. True, Bengal's claim to such portion of the entire proceeds as were realised from the province was not granted; but all the same the fact that the soundness of the principle was tacitly recognised was a matter for gratification. Though it was recognised that unless Bengal obtained what was her legitimate due, it would be impossible to undertake any development programme for improving the economic condition of the Province, satisfaction was nevertheless felt at the prospect of the solution of the immediate problem of meeting the recurring deficit.

The recent developments, however, seem to indicate that even the proposal to allocate

half the proceeds from the Duty to the provinces concerned has been strongly opposed by the representatives from other provinces appearing as witness to the Joint Parliamentary Select Committee. It appears that unless public opinion in the Province stirs itself, there would be very little chance of the proposal contained in the White Paper being finally embodied in the Scheme for Federal Finance, far from there being any hope of the entire proceeds from the Duty being allocated to the Provincial Exchequer. In order, therefore, that Bengal's claim to the entire proceeds from the Duty do not go by default, public opinion in the Province must find vocal expression, sufficiently strong enough to force the framers of the constitution to concede to her a bare justice to which she is rightly entitled. It is with that object in view that an attempt has been made here to subject the claim of Bengal to a critical and analytical treatment so that we might feel sure that in asking for the allocation of the entire proceeds from the Duty, we are not asking for any charity either from the Central Government or from any other province, and that we are claiming a source of revenue, to which, by all tokens, we have every right.

But before we proceed further, we may refer to some facts and figures relating to the genesis and the rate of the Duty, as also to the proceeds therefrom. The export duties were first imposed in 1916 at the instance of Sir William Meyer, the then Finance Member of the Government of India, only as a

temporary measure to meet the exigencies of War finance. They have, however, continued ever since, and what is more, the rates have also been doubled subsequently. The present rates of duty are as follows :

RAW JUTE

Cuttings, per bale (of 400 lbs. or 5 mds.)
Re. 1-4

Other descriptions, per bale (as above)
Rs. 4-8.

Year	Total Revenue from Jute Export Duty	Revenue Collected from the Ports of Bengal	Revenue Collected from the Ports of Bombay	Revenue Collected from the Ports of Madras	Revenue Collected from the Ports of Karachi	Revenue Collected from the Ports of Rangoon
1927-28	4,59.89	1,59.37	47	2	3	...
1928-29	4,21.99	4,21.42	50	2	4	1
1929-30	4,66.24	4,65.74	45	1	3	1
1930-31	3,44.28	3,43.96	29	2	1	...
1931-32	3,10.01	3,09.60	28	1	1	...

It will be evident from the above table that Bengal contributes the major portion of the proceeds from the Export duty on jute, though no doubt a portion of the revenue collected from the ports of Bengal has to be assigned to the neighbouring provinces of Assam and Bihar and Orissa. As a matter of fact, since the duty was first imposed in 1916, Bengal has contributed more than 50 crores of rupees to the Central Exchequer from this source alone, leaving out of consideration the vast sum of money contributed by her to the Government of India on account of income-tax and super-tax from jute mills and jute business; it has been estimated that this additional sum amounts to about 2½ crores of rupees annually.

The reasons given by Sir William Meyer, when moving for the adoption of the export duty on jute in 1916 were, apart from the special financial circumstances of the Government of India, that jute was an article which could well bear a special rate of export duty,

JUTE MANUFACTURES

Sacking (cloth, bags, twist, yarn, rope),
per ton (of 2,240 lbs.)—Rs. 20.

Hessian and all other description, per ton
(as above)—Rs. 32.

The yield in normal years is about Rs. 4½ crores or about annas 14 per md. on an average.

The following table shows the gross amount of revenue (in thousands of rupees) collected on jute exported from India during the years 1927-28 to 1931-32 :

Revenue Collected from the Ports of Bombay	Revenue Collected from the Ports of Madras	Revenue Collected from the Ports of Karachi	Revenue Collected from the Ports of Rangoon
47	2	3	...
50	2	4	1
45	1	3	1
29	2	1	...
28	1	1	...

not only because of the "present prosperity of the trade, but in view of the monopoly which India has in this product." The implications of this argument were evidently that the burden of the duty was being shouldered by the consumers of jute, mostly foreign, and that consequently there was no obvious injustice involved in depriving the producing Provinces from the proceeds of the duty.

Whatever might have been the justification of the levy of the duty on jute in 1916, and the appropriation of the entire revenue therefrom by the Central Government, circumstances have changed considerably since then, making it essential that revenue from the duty, if at all levied, should be allocated *pro-rata* to the provinces from which jute is exported. In the first place, "the prosperity of the trade," to which Sir William Meyer referred, is now a matter of history. The world-wide economic depression has affected the jute trade seriously, and the

cultivators, the middlemen and the mills have all of them suffered tremendously from the shrinkage in the world trade and the consequent diminution in the demand for jute goods. It is extremely doubtful if at the present moment, the trade can bear the burden of the duty. At any rate if it be asked to pay the duty, the various interests affected can legitimately demand a *quid pro quo* in the shape of some programme calculated to further their interests.

In the second place, the advantage, which it was assumed, the cultivators had in shifting the burden of duty on to the consumers, on account of the monopoly character of jute, cannot be said to exist any more. It is doubtful, if the cultivators had, at any time, this advantage. As is but well-known, the mills and other consuming interests abroad, being well-organised and vastly resourceful, can and do always dictate prices to the scattered and ill-organised cultivators. It is, therefore, a mistake to assume that the export duty on jute is paid by the consumers of jute and not by the cultivators.

This fact, in itself, should establish the claim of Bengal and the other provinces to their proportionate share of the receipts from the duty. But this argument is further strengthened by the fact that the financial condition of Bengal never satisfactory has become at the present moment extremely precarious and the recurrent deficits in the Provincial Budget have made it extremely difficult to carry on even the meagre activities of the nation-building departments. The undisputed poverty of the financial resources of Bengal can be traced to the iniquitous financial settlement by the Meston Committee at the time of the inauguration of the Montague-Chelmsford Reforms. It is not

necessary in this connection, to refer in details to the Meston Award. But it may be noted that as a result of the said Award, "a balanced budget could only be obtained by additional taxation and the exercise of the strictest economy, and practically nothing could be spared for the expansion of the beneficial activities of Government."*

The financial condition of the province has continued to be as bad as ever, and huge amounts of deficit have been scaring the Government of Bengal for the last few years. The position will be clear from the following table showing the Revenue and Expenditure of the Government of Bengal for the current year and the two previous years, (in thousands of rupees) :

Year	Revenue	Expenditure
1931-32 (Actuals)	9,01,07	11,00,52
1932-33 (Revised)	9,42,73	10,82,21
1933-34 (Estimated)	9,27,73	11,32,24

The Federal Finance Committee which reported in May, last year, envisaged a deficit of Rs. 240 lacs at the time of the inauguration of the impending reforms. The Committee suggested that steps should be taken by the Government of Bengal in the form of further economy in the expenditure or increased taxation, in order to reduce this deficit by Rs. 40 lakhs. The Committee also made certain novel proposals for meeting the deficit of Rs. 2 crores which would still remain after the total deficit was reduced in accordance with their recommendations. They proposed that Bengal should be given a share of income-tax receipts to the extent of Rs. 405 lakhs out of which it would have to contribute to the Central Government a sum of Rs. 255 lakhs, leaving a resulting deficit of

* Speech by Hon. Mr. J. A. Woodhead in the Bengal Legislative Council on 10th August, 1932.

Rs. 50 lakhs in its normal budget. To obviate this deficit again, the Committee recommended further a reduction in the contribution to the extent of Rs. 50 lakhs.

This position is, however, open to serious objection, and in fact has never been accepted by the public opinion of the Province. The suggestion that the amount of the contribution is to be reduced in the case of Bengal as a dole and a favour has been strongly resented. What Bengal demands is not a favour but an equitable treatment, and it has been universally felt that she has been treated very unfairly by the Federal Finance Committee in respect of her claims to the receipts both of Income-Tax and Jute Export Duty.

It is not proposed in this article to discuss the equity of the claim of Bengal to the proceeds from Income-Tax; attention is drawn only to her claim to those from Jute Export Duty. It is significant that the Federal Finance Committee did not even consider the case for the appropriation of the proceeds from the Duty by Bengal: they summarily rejected the claim of Bengal mainly on the ground that the recognition of the claim "would only result in delaying *pro tanto* the remission of Provincial contributions."

It may be pointed out, in this connection, that nobody denies the necessity of ensuring a financially strong Government at the centre and the contention that contributions should be made for a number of years by Provincial Governments to the Central Exchequer, in order to ensure solvency of the future Federal Government has not been disputed by Bengal. She has no objection to contribute her quota to the Central Exchequer. However, two cardinal principles are accepted. In the

first place, she has to be satisfied that no unnecessarily large drafts are made on her revenues by the Central Government and that proper steps will be taken to put a stop to extravagant expenditure on Central subjects. In the second place, she would be prepared to bear her proportionate burden of the Central Government, only if her reasonable demands to the revenue collections from the Province are acceded to. She would not object to remission of her contributions being delayed on account of the transfer of Jute duty to her. One is also tempted to say something in regard to the suggestion made by the Federal Finance Committee to the effect that further economy or increased taxation should be resorted to, in order to reduce the deficit of the Province. The necessity of ensuring economy in the administration of the Province, consistently with efficiency, has been emphasised by the public of this Province, times without number. But these suggestions and appeals have met with no better fact than those made in regard to economy in Central Exchequer. The actions recently taken by the Government of Bengal on the various recommendations of the Swan Committee have served to illustrate the futility of these appeals for economy by the public. It is perhaps unfortunate that the Government of Bengal faced with such a crisis as the present one should not have given their best attention to the question of ensuring a balanced budget in normal times. But it is also necessary to point out what has been repeatedly stressed by the public there is not much scope for retrenchment in the expenditure at present incurred for the nation-building departments of the Government. These departments are practically being starved and it is for making it possible

to spend more liberally for the work of these departments that we have been asking for increased and elastic sources of revenue. As for increased taxation, it is almost unthinkable at the present time of utmost economic distress of all sections of people of the Province to ask them to bear additional burdens of taxation. Considering the present condition of trade and commerce, people are very much over-taxed, and the present level of taxation hardly admits of any more scope for a rise thereof.

As has already been mentioned, it is the cultivators of jute who have to bear the burden of the Duty, and it is only fair and reasonable that the proceeds should be utilised for the benefit of the cultivators. As Sir N. N. Sircar pointed out in his very illuminating Memorandum on "Bengal Finances and Recommendations of Percy Committee relating to it", circulated to the members of the Third Round Table Conference, "in order to grow jute, the ryot has to undergo many hardships, and has to work under condition which must affect his health. One process in the preparation of jute is to keep it in water for a number of days, and then to separate the fibre from the stem by a manual process while standing in the water. Keeping the jute submerged in water for a number of days breeds malaria and other diseases in the neighbourhood.

"If Bengal could get the value of the jute as a source of revenue for the Province", continues Sir Nripen—and every one will

agree with him, "then one of the great problems of Bengal, namely, the existence of malaria on a wide scale, would be reduced." Many other urgent works in connection with the nation-building departments are held in abeyance for want of money, and unless adequate justice is done to Bengal by proper recognition of her claims, her economic development, extremely unsatisfactory as it is at present, is sure to be arrested for a considerable time ahead. The claim of Bengal to the proceeds of the Jute Export Duty is thus clearly established. It may, however, be contended that an export duty, by its very nature, is within the natural scope and jurisdiction of the Central Government. It may be pointed out, in reply. It is to be earnestly hoped that no such technical objection would be raised. If however, the point is further stressed, it may be pointed out, in reply, that no difficulty should be felt even on this score. An export duty which is realised from *only one province* mainly, and utilised for the benefit of the *whole country* is discriminatory, by its very nature stands self-condemned. It should, in all fairness, be abolished, and power should be given instead to the Provincial Government to levy an equivalent duty either on jute trade or on the cultivators. This would solve at once the constitutional problem as well the extremely unfortunate financial position of the Bengal Government, nay, of the whole Province.

EUROPEAN INSURANCE INTELLIGENCE

(From Our Own Correspondent)

BERLIN, SEPTEMBER 2, 1933.

German Credit Insurance

According to a report published recently by the "Hermes Kreditversicherungsbank Akt. Ges.," Berlin, (Hermes Credit Insurance Bank Joint-Stock Company") which is the only German Company writing this class of business and for which the Reich is acting as reinsurer, the year 1932 is closing with a loss of round about Rm. 1,200,000 inclusive of the loss for the preceding year of Rm. 98,000 which loss is, however, being compensated by contributions of the shareholders. This unfavourable result for 1932 seems to contrast with the decreasing figure of insolvencies. However, it is being pointed out by the Board of Directors that the result obtained is due to a large extent to the rather high figure of insolvencies for the first months of 1932 as well as especially to the after-effects of the crisis of 1931.

As stated above the Reich now has an actual interest in the "Hermes" by entering into the Reinsurance Pool of this Company which has also last year been following the same policy as formerly by ceding greatest part of the premium income with the result that of the premium income which for 1932 and sunk from Rm. 11,980,000 to Rm.

7,840,000, Rm. 6,140,000 against Rm. 9,480,000 for 1931 have been spent for reinsurances. For its own account the "Hermes" was, therefore, retaining only round about Rm. 1,700,000 as against Rm. 2,500,000 for 1931. As a consequence of a total amount of losses paid and pending Rm. 9,240,000 were for account of the reinsurers as against Rm. 12,500,000 in 1931. However, this is not giving an exact figure of the actual loss of the reinsurers and particularly that sustained by the Reich seeing that one does not know the exact quota with which the Reich is interested in the Pool and on the other hand, the Reich was entering into the Pool only on the 1st October, 1931. Although the definite results obtained for the new business cannot be available yet it can be assumed that so far this interest of the Reich in the reinsurance has caused losses to the Reich.

According to the statements of the "Hermes" which is especially pointing out the economic importance of the Delcredere Insurance great part of the clients have remained true to the Company although conditions of the policy had to be modified and premiums to be increased as a consequence of the economic crisis, but part of

the clients has now chosen another form of insurance, *i. e.*, the insurance of named accounts.

Of particular interest is the report of the "Hermes" regarding Export Credit Insurance which is being written by the Company in close co-operation with the Reich. According to the statements of the "Hermes" the results of obtained for 1932 clearly show that under the actual conditions prevailing on the world market it is, as in other countries, quite impossible for the private companies to write this risk alone; on the other hand, the actual conditions of world economy require the protection of the exporter by Credit Insurance. The Reich has, therefore, made a new contract with the "Hermes" securing the continuation of this class of business. In spite of the unfavourable conditions under which export credit insurance is operating now, the Reich has decided to continue this business in order to meet economic requirements. According to the new contract the "Hermes" will write this business in various forms and retain for its own account a considerably smaller quota than formerly. Apart from the cover of the commercial risk of insolvency the cover of the so-called catastrophe risk has principally been kept to, *i. e.*, the impossibility for the foreign debtor to meet punctually his obligations from supplies of goods in consequence of official measures taken by the Government in respect to the currency or insolvency as a consequence of war, revolution, riots and natural catastrophes.

As regards the results obtained by the export credit insurance the report of the

"Hermes" does not give any figures in this respect, but it is to be expected that these will be published later on and as far as the turnover delcredere insurance is concerned it is being stated that the premium income has gone down in consequence of the considerable decrease of the turnover as well as through the elimination of undesired risks. The delcredere insurance of named accounts is, however, being stated to have been satisfactory, whereas the report of the "Hermes" states further that as regards security and embezzlement insurance it has been possible to maintain the premiums and to realize a small profit for these branches, but no fresh contracts have been made for mortgage security and financial credit insurance and one has, on the other hand, been very cautious in respect to instalment credit insurance.

Taken as a whole it can be stated that with the Reich acting as principal reinsurer of the Hermes and the premiums being adapted to the particular risks which are in all cases selected carefully, German Credit Insurance can be said to form a sound basis for German export trade.

German Fire Losses in June

According to the statements of the "Association of Public Fire Insurance Companies in Germany" the total amount of losses sustained last June by the companies belonging to the above Association is Rm. 4,570,864 as against Rm. 5,091,625 for the preceding month. The number of losses sustained was for June 5089 as against 5351 for May, 1933.

THE STUDENTS' FORUM

The following presentation of important insurance decisions in non-technical terms rendered by Prof. S. B. Ackerman are taken from the *Insurance Advocate* of New York.

Life—Misrepresentation

Question.—An assured represents in his application for a life policy that he had not been attended by a physician for a period of five years. The assured died. The company maintains that the assured was, in fact, treated by various physicians during the period in question. Is the company liable?

Answer.—The application for the insurance in question was signed by the assured, and was attached to the policy and made part thereof. The statements made by the assured in the application constituted representation, and if they related to a material fact, one which constituted an inducement for the contract of insurance, and were untrue, this vitiated the policy even if they were innocently made without intent to defraud.

The representation of the assured was untrue. The representation in question was material. Before deciding whether it would accept the risk or not, the company was entitled to such information as it desired concerning the insurability of the assured's life and the assured was bound truthfully to answer any question put to him by the company. True, an applicant for insurance

subjected to a physical examination by a medical examiner of the company; but that would only disclose infirmities and diseases with which he was suffering at the time, and in some instances, not all of those. The medical history of an applicant, both as to present and past ailments and diseases, is absolutely essential to enable an insurance company to intelligently pass upon the desirability of a risk. No part of such history is more important or material to the company than that relating to prior treatment by physicians. It is not for the applicant to decide whether the matter concerning which he has consulted a physician was serious or trivial. The insurance company is entitled to determine that question for itself. If an assured can, by a false answer, deceive the insurance company, and keeps from it information concerning attendance by physicians, the company would be prevented from ascertaining the facts. The way would be easy to defraud an insurance company if the rule would be otherwise.

Kech v. Met. Life Ins. Co. 264 N. Y. S.

Life—Premiums

Question.—Insured paid two annual premiums on a twenty payment life policy. He paid part of the third annual premium to a soliciting agent of the company, who turned it over to the branch office, during the grace period. This part payment was returned and

a note inclosed for him to sign, for the balance of the premium. The insured paid the balance in cash to the agent and received the agents' own receipt therefor. The insurance company never received the payment and lapsed the policy. The policy provided that no agent was authorized to modify contract or to extend time for payment of premiums, or to waive lapse. Such right was limited to certain officers of the company. The policy further provided that no person had authority to collect premiums unless he held official premium receipts. The insured did not receive the official premium receipt. Can the insured recover the two annual premiums, and the amount paid to the agent?

Answer.—The insurance company was right in declining the policy lapsed for non-payment of the third annual premium. The payment to the agent was clearly contrary to the written provisions of the policy. He was bound to know from such provisions contained in the policy and directions in the premium notice, that the soliciting agent was not the proper person to whom payment of the premium could be made. The insurance company did not receive any part of the premium, hence it was right in lapsing the policy.

Even assuming that the insurance company was wrong in declaring the policy to be lapsed, the insured should not be permitted to rescind the contract and recover back all the premiums paid from the time of issuance of the policy. The decisions in this state hold that the proper remedy of an insured where the insurance company has declared a policy lapsed is an action in a court of equity to compel the insurance company to recognize the policy as being in force. The cases hold that where an insurance company repudiates its obligations, there cannot, in any event be,

a recovery of the premiums paid, although in certain cases a recovery may be had by way of damages for the breach of the contract. The basis of the decisions in refusing to permit a recovery of the amount of the premiums paid was the fact that during the continuance of the policy in force the assured had received certain benefits in the form of the insurance protection afforded by the policy.

Gilbert v. New York Life Ins. Co. 264

New York Supplement 610.

Life—Beneficiaries

Question.—An insurance company issued a policy of life insurance to the assured who did not reserve the right to charge the beneficiary. The premium was due on February 14, 1931. The days of grace expired March 17, 1931. On March 14, 1931, the insurance company and the assured entered into an arrangement whereby the insurance company agreed to accept the surrender of the \$ 20,000 and to issue in its place a new policy under the same policy number for \$ 5,000. This was done without the consent of the beneficiary. The assured paid the necessary reduced premium. On April 12, 1931 the insurance company tendered the new policy and asked the beneficiary to sign a consent to the reduction. The assured had died two days before. Can the beneficiary recover the full face value of the original policy?

Answer.—The cases hold that, if a policy has not yet lapsed, an assured and his insurer cannot dispose of the proceeds of a policy in which a beneficiary has a vested interest without giving notice to the beneficiary. Applying this principle to the present case, the reduction was consummated, so far as the assured was concerned three days before

the policy might have lapsed. This was not binding on the beneficiary until she had notice and consented to the reduction. The reason for this is that the beneficiary might have paid the premium herself and kept the policy alive in its original form.

There can be no doubt that after the policy was surrendered on March 14th, the insurer did not expect to receive a further payment on or before March 17th. The insurer clearly waived any right to claim a lapse on that date. This waiver extended to the beneficiary's time to pay until the attempted change was brought to her notice. The act of the insurer in asking her consent the time of the attempted delivery of the

policy confirms this view of the matter. If her consent were necessary before a reduction could be made in the value of the policy, it necessarily follows that a refusal on her part to consent does not work a complete forfeiture of both the original and the altered policy. The insurance company may not profit by disposing of the beneficiary's interest without her consent. The new policy was never in force, and the old policy remained a binding obligation of the company in the absence of the beneficiary's consent to the proposed change.

Ruchenstein v. Metropolitan Life Ins.
Co. 264 New York Supplement 619.

POLISH

The most polished methods are futile if the prospective business is not worth the polish.



CURRENT TOPICS

The Need for Simpler Economics

The following are extracts from the presidential speech delivered by Professor Edwin Cannan at the forty-third annual meeting of the Royal Economic Society in London, and are reproduced from *The Economic Journal* for September, 1933 :

It is rash for one of my generation to pass any judgment on the elaborate economic theory which is now being taught to the young, for we do not understand it. Without too trustfully accepting the *ignotum pro magnifico*, we must hope for the best. But we may perhaps be permitted to point out and deplore the fact that the almost complete absorption of the younger teachers in making what they rightly or wrongly believe to be important advances in the higher branches of theory is leaving the public at the mercy of quacks, surely out of the large accessions to the ranks of professional economists which have taken place in recent years, a substantial force might be spared to assist common sense to grasp the bare elements of economic science without a knowledge of which democracies and dictators alike are bound to make the most grotesque blunders.

It is not for me, born in 1861, to tell the present generation how further to simplify the subject. If I had known how to popularise sound economics, I should have done it long ago in the time which I have had. It is now the job for some of you, and a job of enormous importance. All countries are trying, with considerable success, to reduce their imports by tariffs, and when they do not succeed as quickly as they would like, they resort to quotas and prohibitions. Many of them subsidise some of their exports, often doing it indirect and concealed methods not

for fear that their own people may object to giving gifts to the foreigners but because they fear that the foreigner will destroy the effect of their subsidies by imposing import duties or embargoes. When by these operations they have reduced imports and exports alike without making much difference to what they call the balance of trade, each of them tries to effect its purpose by depreciating its own currency, not with the laudable object of reversing a tendency of that currency to appreciate in purchasing power, but in order to win an imaginary advantage over its competitors. Having by these means thrown international trade into dire confusion and greatly reduced its amount, they waste the capital of their taxpayers by spending scores of millions of borrowed money in buying foreign exchange and gold, in order, as their finance ministers explain, to counteract the wicked speculators whom they believe to cause violent fluctuations by buying their currency when it is low and selling when it is high !

You may say you all know this, and I ought to apologise for drawing your attention once more to the putrid, stinking mass. I do apologise to those who are really helpless in the matter, if any such are here. But I do not apologise to the others, but appeal to them to do more than they are doing to make economic organisation understood by the people. I appeal especially to the younger teachers to consider what sort of future they can look forward to if the popular English newspapers continue to get their readers to believe that at one and the same time the pound sterling may be worth twenty-twentieths of itself in London and Lisbon, thirty-one-twentieths in Madrid, and only fourteen-twentieths in Paris. Do not let them simply to hold their noses and avert their eyes from the disgusting mess and run back to find peace

and contentment in neat equations and elegant equilibria.

Cotton Textile Talks

The following is an extract from the Presidential Address delivered by Principal Sohrab R. Davar at the last quarterly meeting of the Bombay Shareholders' Association :

The other event of very great importance to us is the presence at present among us of the delegates from Japan and Lancashire, who have come here on a mission by which they propose to arrive at some solution for the relief of the present situation created by Japanese dumping of textile manufactures, not to speak of numerous other articles of manufacture. Personally, I do not see my way clear as to how and by what methods this is going to be done. We are not only suffering from the dumping of cotton textile manufactures by Japan on our markets at an exceptionally low price, due to the exceptionally depreciated currency of Japan, and other reasons, but we are also very severely handicapped in connection with other industries, some of which have grown into manhood satisfactorily and would have considerably developed to the benefit of the country but for this threatened invasion. While, therefore, the arrangement on the question of textile dumping is being discussed, and Lancashire is only interested in cotton textiles we should not lose sight of the fact that, as far as Japanese competition is concerned, we are handicapped in other branches of industry also. I hope, therefore, that the delegates who are to give advice as experts to the authorities will seriously consider this problem from a much wider aspect. There are rumours afloat to the effect that the Japanese proposal relies on the quota principle. If this be true we do not know exactly whether the quota is to be regulated on the footing of manufactured articles or of raw materials. If it is on the basis of raw materials we as a nation aspiring to be great in the industrial world, as our forefathers once were, must strongly object to that arrangement. India does not

want to be perpetually relegated to the position of an agricultural country producing raw materials for the benefit of other countries,—raw materials to be manufactured and sent back to us for sale within our own territories. India wants to take the fullest advantage of the natural resources which it enjoys,—the advantage of having almost every raw material it may require for any branch of manufacture, with very few exceptions,—and thereby to gradually develop itself into a great industrial nation. If a country like Japan, and that too an Asiatic country—I particularly emphasise the fact of Japan being Asiatic, because at one time the habit of mind of many of our Western friends was to look upon everything Asiatic as falling into an inferior classification—can, within a very short distance of time, build itself up industrially to a position where it threatens to-day to exterminate all trade in the manufactured articles of Western countries at one time considered to be in an impregnable position, and even carrying the competition right up to the homes of these Western manufacturers by successfully competing within the folds of their own country, in spite of the disadvantages of tariff barriers, there is no reason why this country, with its cheap labour, industrious, law-abiding and used to arts and crafts for centuries, should not, if properly organised, encouraged and assisted, both by the state and the public, come up to the standard of Japan and compete with Japan, not only within Indian territories but also in foreign markets. With that aspiration in front of our mind we cannot possibly agree to any quota system being fixed on the footing of our being continuously made to act as hewers of wood and drawers of water for the benefit of foreign industrial nations. If the quota, on the other hand, is to be fixed on the footing of manufactured articles, including foreign territories as far as they are being sold at present, that might give some fair and straightforward platform for discussion, leading to a solution of this problem. But, of course, even at best, it can be merely a partial solution.



APPLIED ECONOMICS, Vol. I, by Professor Benoy Kumar Sarkar, Calcutta University. Published by Chuckervertty Chatterjee & Co., 15, College Square, Calcutta, pages 320, Price Rs. 6.

In this book Professor Sarkar has discussed in detail several questions of utmost national importance, and has linked up Indian economic and social problems with international developments by the help of copious statistical material. The principles of Reserve Bank with special reference to the functioning and management of the Bank of England, the Banque de France and the Reichsbank; the problem of foreign insurance companies, Bengali loan offices, Italian and Japanese commercial banks; currency legislation, railway administration at home and abroad; rationalisation in agriculture, manufacture and commerce, etc., indicate the range of subjects dealt with and the extent of economic ground covered by the book. The equations of comparative industrialism based as they are on international statistics, serve to introduce the practical business men and statesmen as well as the economic theorists of India to the solid realities of world economy and enable them to utilize the conjuncture in the interests of her material advancements.

The book has been received with great appreciation also in Europe and America, and Prof. Andre Siegfried Paris, President F. Zahn Munich, Mr. F. W. Pethick Lawrence London, and Prof. E. L. Bogart Illinois, have spoken in very high praise of the book. We reproduce here an extract from the tribute which has been paid to this volume by *Allgemeines Statistisches Archiv* :

"These essays on diverse fields of European and Indian economic life are mixed up in kaleidoscopic succession, being held together by the thought of promoting Indian economic policy. This is attempted in the study of the manner in which foreign insurance societies are controlled in Europe as well as of the currency and banking theories of the Reichsbank and the *Banque de France*. The latter investigations are of especial interest because of the proposed establishment of a Reserve Bank of India.

"In other chapters are described the economic developments in India as mirrored forth in the general trade and railway traffic as well as in the bank capitalism of Young Bengal. They show that India finds herself to-day in the conditions of the "first industrial revolution" such as consummated itself in England about 1785-1818 and in Germany and France about 1830-75. Consequently, as another chapter indicates, there are to be found in India nothing more than the traces of rationalization, which, according to Sarkar, is the important characteristic of the "second industrial revolution."

"Finally, the author deals with the relations between the regions of the "first and the second industrial revolutions" in the world-crisis of 1929-32. The export of capital and instruments of production from industrial adults to undeveloped regions is considered by him to be foundation of a real world-economy. In his theory that the industrialization of the undeveloped is likely but to compel the adults to embark upon the specialization in quality-goods and reorganization of their industrial structure we find Zahn's idea corroborated."

Plenty of statistical data are utilized by the author with the object of furnishing secure foundations for Indian economic statesmanship. His observations and conclusions in regard to the comparability of international statistics (p. 199), American statistics (p. 136), international bank statistics (p. 154), commercial (p. 293), railway (p. 168) and unemployment (p. 263) statistics, the interpretation of statistical data (pp. 158, 209), etc. show that the author before making use of figures has taken care to examine their dependability and significance. It is because of this caution coupled with an international and synthetic survey of economic events that he has been able to offer a judgment on the topics in question that is faultless both in theory and economic policy.

THE INDUSTRY YEAR-BOOK AND DIRECTORY, 1933. *Published by the Industry Book Department, Keshub Bharam, 22, R. G. Kar Road, Calcutta. Pages 1,000. Price Rs. 5.*

The Industry Year Book is a guide *de-luxe* and an indispensable reference book for all business men working in India. The publishers have taken infinite pains to compile such a book which from cover to cover deals with the most important pieces of information, and have rightly called it the "great marketing book." It is a highly dependable source of information which not only business men but also students of economics and statesmen may look up with considerable profit.

The fifth edition of this book which is before us embodies numerous revisions and improvements that have greatly enhanced the general usefulness of the work. It deals with subjects of varied interest and incorporates information relating to Post and Telegraphs, Railways, Shipping, Money Market, Commercial Laws, Commercial Associations, Trade, Industry, Banking, Insurance etc. Figures regarding the progress of Indian industries have been brought up to date. The chapter on Market places supplies a very important need of the commercial community, and embraces most of the leading provinces, such as Bengal, Bombay, Madras, Bihar and Orissa, U. P., Burma, Native States, etc.

By far the most important and useful section of the book is the Chapter on "Classified Trades and Industries" wherein have been incorporated with utmost care, the names of all principal dealers and manufacturers of all kinds large or small, covering more than 300 pages. The lists are classified according to manufactures and articles. The compilation and classification of this chapter does real credit to the editors and publishers. There are other items too of considerable interest which have found a place in the book, e.g., Industrial Research, Technical Institutions with their prospectuses, etc.

It is not possible to mention in this short review all the different items that have been discussed in the book. We may unreservedly recommend this book to business men, financiers, brokers, agents, students and practical economists. The get-up of the book is excellent, and the price is moderate.

BUSINESS ORGANISATION AND PRACTICE OF COMMERCE: *By S. M. Sen and A. K. Banerjee. Published by the Book Company, Ltd., College Square, Calcutta. Pages 521. Price Rs 4.*

This book is primarily intended for the students of economics and commerce of Indian universities. The authors have realised the want of standard text-books for the guidance not only of the commerce students of Indian universities but also of those who appear at the public examinations held periodically by the accountancy and commercial bodies. The book has, therefore, removed a long-felt want in the field of commercial literature of the country. The book will also serve as a practical handbook and guide to the businessmen who are engaged in one or the other form of commerce.

The authors have discussed the problems from the points of view of both the manufacturer and the merchant. They have not only analysed the fundamental principles underlying those practices but also presented them in a comparative prospective with reference to the methods followed in different countries of the world. What has made the analysis scientific is the association of these principles with the relevant aspects of law obtaining in the principal commercial countries of the world.

Among the subjects discussed may be mentioned the following :—Forms of Business Organisation, Industrial Organisation, Banking and Finance, Home Trade and Foreign Trade, Foreign Exchange, Stock Exchange, Transport and Communication, Tariff, Customs and Excise, Fire, Marine, Life and Accident Insurance, Scientific Advertising, Salesmanship, etc.; in short, everything that a student of principles and practice of commerce or a businessman has to refer to in his daily conduct.

The comprehensiveness of the subjects dealt with and the treatment thereof make the book what may be called ideal as a text-book. We congratulate the authors on their splendid performance. The usefulness of the book has been highly augmented by the incorporation of an index, and the students particularly will derive much help from a set of questions appended. We unreservedly recommend the book to those for whom it is meant.

UDAYAN. *Edited by Anil Coomar Dr. Published by the Calcutta Trading Company, from 79-9 Lower Circular Road, Calcutta.*

This delightful vernacular monthly which deals with the most varied topics of arts, science, literature and trade has completed the first half-year of its life. The sixth number which is before us contains a host of articles and poems which are deserving of the highest merit, and have emanated from the leading thinkers of Bengal, e.g., Rabindra Nath Tagore, Benoy Sarkar, P. C. Ray, Pramatha Choudhuri, Nalini Kanta Bhattachali, Suniti Kumar Chatterjee, etc. The editorial notes are well thought out and reveal a determined effort to attain the truth.

The magazine is profusely illustrated, and the get-up seems to leave no room for improvement. We congratulate Mr. De for this excellent production and wish his paper a career of continued usefulness.

M. MOULIK



COMPANY NOTES

The Presidency Life Insurance Company Ltd.

The Presidency Life Insurance Company of Bombay made the first valuation of its assets and liabilities at the conclusion of its first three years' working. The valuation has disclosed very encouraging results showing a surplus of Rs 10,424. Mr. G. S. Marthey, M. A., A. I. A., who conducted the valuation adopted very stringent bases for the valuation and recommended the distribution of bonuses at the rate of Rs. 15 and Rs. 18 per year per thousand on Endowment and Whole Life Policies respectively. The mortality table assumed was HM with 6 years' rating up in the case of whole life policies and 5 years' rating up in the case of other classes of policies. The rate of interest assumed was $4\frac{1}{2}$ per cent. The actual rate of interest which has been earned by the Company on an average during the three years is $5\frac{1}{2}$ per cent.

Mr. Marathe has recorded the following in his report: "Yours is the first instance of a life office of only three years' standing disclosing, as the result of a valuation on a strong basis, a divisible surplus, large enough to enable you to declare bonus at the rate of 1.5 and 1.8 per cent. per annum. The period under valuation had been very difficult in one way, but it had its own advantages. It was possible to invest money at high rates of interest and the values of the securities appreciated as at the date of the valuation. The low expense ratio, however, is a matter

for great credit to you and I hope you will be able to continue this enviable feature hereafter." We congratulate the Company on its achievement.

The Life Fund of the Company as at 31st December, 1932, amounted to Rs. 25,452. Total assets of the company at the end of the year was Rs. 56,895 of which the major portion is invested in government securities. We hope this institution which has begun its work well will move on its onward march with conspicuous success.

Mutual Life Assurance Corporation Ltd.

This Corporation is the premier insurance office of Guzerat having its head office at Baroda. It has been transacting life insurance business for the last eight years. It has introduced several up-to-date and attractive plans of assurance. The Corporation insures female lives and issues joint-life policies. It has also deposited British government securities worth Rs. 25,000 with the Baroda Government.

The Corporation has issued policies amounting to Rs. 81,250 during the year ending 31st December, 1932. The Life Fund of the Corporation stood at the end of the year at Rs. 27,721.

In general, the management of the Corporation is economical and satisfactory. It is also to be noted that the Managing Agents, Messrs. Shah and Co., have given up a sum of Rs. 11,000 out of their remuneration for the last five years in the interest of policyholders and shareholders.

NOTES AND GLEANINGS OF THE MONTH

Our Vijaya Greetings

We offer our cordial Vijaya Greetings to our readers, subscribers, contributors, advertisers and supporters.

We also take this opportunity to extend our greetings of the season to all that are connected with Indian insurance. The Pujas came off rather early this year, and that is why even at the conclusion of the festivities we have not the briskness of the busy season or the cheerfulness of the autumn sunshine. 1933 has been another year of trials and tribulations which have not yet ended; still, at the commencement of the busy season let us cultivate a brighter outlook for our trade and commerce, and let us hope that our renewed endeavours and refreshed activities will find us better off in the days to come.

Late Mrs. Annie Besant

Mrs. Annie Besant, the renowned Theosophist leader, who died at 85, had a career remarkable in many ways. She was brought up in the Anglican Church and, in 1867, married the Rev. Frank Besant, but separated from him in 1873 to join the Free Thinkers under Charles Bradlaugh. She took keen interest in social reform, and her work among the London poor led her to become a Socialist and a member of the Fabian Society. The decisive influence on her career, however, was her meeting with the Russian mystic Madame Blavatsky, who introduced her to theosophy.

She devoted a considerable part of her energies to India, taking up her abode in Madras and combining political, social and religious work. In 1898, she founded the Central Hindu College at Benares, and was one of the founders of the Benares Hindu University. Once she became the President of the Indian National Congress. She was an eloquent speaker, a vigorous worker and an enthusiastic reformer. India stands distinctly poorer at her loss.

Mr. A. D. Besant, B. A., F. I. A., the eldest son of Mrs. Annie Besant, was an insurance man, having worked for a long time as the General Manager of the Clerical, Medical and General Life Assurance Society Ltd.

Cotton Textile Parleys

We live in an era of conferences and parleys. The worthlessness and meaninglessness of half-hearted conferences have been brought home to the wearied public more than once during the past few years. Half-baked delegations and sometimes ignorant participators in the discussions have proved serious obstacles in the way of compromise and success.

The Simla cotton talks for bringing about a *rapprochement* between the Indian and Japanese cotton textile interests are also attended with complexities of their own. A delegation each from Japan and England has joined the Indian representatives

in a Conference in Simla. Various aspects of the manufacture and trade of cotton textiles and art silk have been discussed in the Conference. The conflict which has necessitated the present deliberations is more severe between England and Japan than between Japan and India. India stands already committed to protection for her cotton textile industry. So, any modification of tariffs in favour of Japan either on the quota or any other basis will affect British interests more than Indian interests. Therefore, the fight is ultimately confined to the British and the Japanese industries, India being employed simply as a pawn in the game.

The Conference is still to continue. It is not unlikely that some minute changes in the existing circumstances may be made as a compensation for the time and labour spent on this, but what seems to be the formidable rock on which the Conference would founder is evidently the basis of quota of Japanese cotton exports. India insists on 300 million yards while Japan wants to fix it at 578 million yards—a gulf which it will prove difficult to bridge.

By threatening to boycott Indian raw cotton, Japan tried to set the cotton growing interests against the millowners' interests. But the combination of these two sections has almost predestined the failure and defeat of the Japanese plan. The consumers' interests have also been ignored by all parties by agreeing to work on the quota system which lays unnecessarily onerous burdens on the consumers.

Menace of Japanese Rice exports to India

We referred to the serious situation arising out of increasing exports of Japanese rice to India to which the attention of the

Government of India was invited by the Burma Chamber of Commerce, in our last July issue (p. 324). Burma being the largest exporter of rice in India has suffered most on account of Japanese competition in this regard. The Burma Chamber has again sent a telegram to the Government of India drawing their attention to this situation and asking them to discuss this matter as well with the Japanese delegates now in Simla. In the course of their representation, the Burma Chamber pointed out :

"It is definitely known that one cargo has already been transacted by Japan for Bombay at a rate equivalent to Rs. 135 for 100 baskets Rangoon against a prevailing rate of Rs. 150 which is a low level not experienced for some decades. There are ample stocks of Burma rice in Bombay unsold. The transaction by Japan, which amounts to pure dumping, not only seriously affects stocks at various importing centres in India but also has most demoralizing effects on Burma's balance of an exportable surplus of 700,000 tons, as also on the 1934 crop.

"In the interest of Burma cultivators primarily and the preservation of healthy Indo-Burman trade some action by the Government is, in the Chamber's opinion, absolutely necessary. The Chamber trusts the Government will kindly treat this matter with all the seriousness it deserves.

Publicity for Indian Exports in Britain

Mr. B. D. Asli, Indian Trade Publicity Officer in London, who had been working in close co-operation with the Empire Marketing Board and had some useful propaganda work in England pointed out, in an informal talk with the Committee of the Southern India Chamber of Commerce, that the Board would

soon be abolished and necessary publicity and propaganda for Indian exports would have to be done entirely at the expense of the Government of India.

Regarding rice, Mr. Asli said that Britain was buying Spanish and American rice besides Indian rice because the latter was not purely white in colour and the grain was not sufficiently bold. Some prejudice against Indian rice was caused during the War by the sale of inferior rice at high prices. The attention of the Directors of Agriculture had been drawn for necessary improvement.

Mr. Asli's attention was next drawn to the scope for improving the sale of Indian coffee in Britain with a view to replace Brazilian coffee and Indian tobacco to replace American tobacco.

Mr. Asli's attention was drawn to the necessity for the Indian Trade Commissioner nominating an arbitrator to represent the Indian shippers of tanned hides and skins in case of disputes as at present heavy loss was caused by the Indian shipper having to rely on his British agent, who invariably nominated a skin broker or had to appoint a rival agent. Mr. Asli promised to bring it to the notice of the Trade Commissioner.

Before leaving Mr. Asli desired to have more and more of Indian manufactured goods to be introduced in the British market and he promised to do his best for promoting trade in these commodities.

Trend of British Trade

A further expansion in Overseas trade in September is revealed in the preliminary Board of Trade figures.

Imports during last month were valued at £57,772,000, against £56,754,000 in

August and £54,272,000 in September last year.

Exports during September totalled £32,226,000. In the previous month, the value of exports was £30,997,000 and in September last year, it was £26,229,000.

Re-exports of imported merchandise totalled last month £3,404,000, against £4,300,000 in August and £2,902,000 in September last year.

An encouraging feature of the Returns is the chief increases in exports under the heading of articles wholly or mainly manufactured. As compared with September, 1932, their value has risen from £19,751,000 to £24,642,000. The chief increase in imports relates to raw materials.

A review of the January-September period of the current year shows that imports totalled £487,823,000 and exports £268,390,000. In the first nine months of 1932, imports amounted to £520,213,000 and exports £271,107,000.

Mr. Provakar Mitra

We congratulate our esteemed friend, Mr. Provakar Mitra, B. A., B. com, Assistant Editor of the *Insurance World*, on his being appointed Statistical Officer of the India Equitable Insurance Company Ltd., Calcutta.

Late Mr. T. E. Young

The death of Mr. T. E. Young, B. A., F. I. A., F. R. A. S., the renowned author of many standard books on insurance, removes from the field of insurance a great personality and a versatile scholar. He had a very poor start in life, beginning his career as a junior clerk in the Commercial Union Assurance Company Ltd. in 1865. He rose to very

high positions in life by dint of sheer merit and perseverance. He was elected a Fellow of the Institute of Actuaries in 1874 and was the Chairman of the Institute for two successive sessions, 1896-97. He was also elected President of the second session of the International Congress of Actuaries in 1898. We offer our respectful homage to the memory of the departed soul.

"Anti-Kidnap" Insurance

Kidnapping, since the gruesome revelations in the Lindbergh baby tragedy, has become a menacing risk to person in the United States of America. It is, therefore, but a national sequel, as the *Chicago Tribune* says, that Lloyds Under-writers are now offering insurance against kidnapping up to a coverage of \$100,000. Prominent and wealthy persons in various cities in the United States ? it is added, have been secretly insured against the menace at premiums of three-quarters of 1 per cent for adults and 1½ per cent for children.

Lac Research

A Bill has been introduced in the Legislative Assembly for the amendment of the Lac Cess Act with the object of increasing the rate of cess to seven annas for lac and five annas for refuse lac. The funds will be made available to the Lac Cess Committee for extension of research work with the object of expanding the industrial application of natural lac and meeting the increasing competition of synthetic product. It is proposed to make a provision for the appointment of not more than five additional members by the Governor-General in Council to the Lac Cess Committee.

Bihar and Orissa Insurance Association

We are glad to notice the establishment of an insurance association in Patna of the name of Behar and Orissa Insurance Association. Behar is a rapidly progressive province so far as insurance is concerned, and the establishment of this Association, the first of its kind in the province, augurs well for the healthy development of this business in that field. We have always pleaded for the formation of associations and institutes of a nature which would not only harmonise the diverse and antagonistic interests in the common field of action, but also raise the tone and prestige of the profession as a whole. We hope the Behar and Orissa Insurance Association is one such institution. The objects of the Association have been stated as follows :

- (a) to foster feelings of fellowship and friendship, encourage mutual help and common understanding and promote growth of healthy rivalry amongst the insurance workers in Behar and Orissa ;
- (b) to provide a social and educational centre for persons interested in insurance ;
- (c) to safeguard the interest of insurance workers and insurance companies in Behar and Orissa, etc.

We congratulate the organisers of this Association, and especially Mr. C. L. Sinha, the General Secretary, and Mr. M. L. Banerjee, Joint-Secretary of the Association. Mr. R. C. Pundit has been elected President of the Association, and the Executive Committee is composed of the principal representatives of the companies working in the province.

Cargo Insurance

The Institute of London Underwriters announces the adoption of a new "Special

Location Clause" for use in connection with open covers which apply to areas rather than to specific locations. The ordinary Location Clause is intended to protect underwriters against excessive loss due damage to accumulations of cargo awaiting shipment "in any one location," and is perfectly satisfactory when the cover applies to a specific port. When the cover applies to an area in which there may be several ports, the limitation of the underwriters' liability under the old clause allows claims to be made up to the maximum amount for damage incurred in each port within the area covered. For instance, the Cuban hurricane of last November damaged cargo awaiting shipment at several ports, with the result that in some cases underwriters had to pay claims amounting to four times the amount to which they thought their liability was limited. By making the maximum liability of underwriters and agreed sum in respects of an area, rather than "any one location," the new clause gives them the protection they need. In the case of the Cuban hurricane, for instance, if the new clause had been in use the liability of underwriters would have been limited to the agreed amount with regard to all the damage incurred, instead of being limited only to the maximum amount in respect of damage incurred in each location where there was an accumulation of cargo. While the new clause protects underwriters from excessive loss, it leaves a way open for the assured to protect himself by covering the excess of the maximum liability as stated in the clause by supplementary insurances.

Insurance Education Board

After more than a year's suspended activities, the Insurance Education Board

has passed a resolution by which it has dissolved itself. Perhaps it has not been too late for the Board to realise that it had in the meantime performed its appointed task.

Currency League

A League of the above name has recently been formed in Bombay consisting principally of Mr. Mathradas Vissanji, Sir Cowasji Jehangir (Jr.), Sir Purshottamdas Thakurdas, Sir Govind Pradhan, Mr. Jamnadas Mehta, Mr. G. D. Birla, Mr. Kasturbhai Lalbhai, Mr. N. C. Kelkar, Mr. D. P. Khaitan, Mr. S. N. Pochkhanawala, Mr. F. E. Dinghew, Mr. C. S. Rangahwami and Principal Davar, etc. One of the objects of the League is to bring about immediate devaluation of the rupee and oppose the continuation of the 18d. ratio. The inaugural meeting of the Currency League was held on October 13 last.

The National Mercantile Insurance Co. (India) Ltd.

This is another Provident Insurance Co. to enter the already glutted field of provident business. The National Mercantile has been able to include in its Board of Directors men who have distinguished themselves in various department of life and whose names are sufficient guarantee for caution and safety. Dr. S. C. Choudhury, M. A. (Cantab.) LL. D., Bar-at-Law, is the Chairman of the Board of Directors and the Management of the Company is under the able stewardship of Messrs. Raha Bros. who have already made their mark in the line. The schemes of the Company have been approved by the Government and they offer maximum of return for the money invested. The Company as such has a great promise for the future.

Japanese Gold Exports

Reports recently received in London created an impression that it was the intention of the Japanese Government to authorise the free export of gold produced in Japanese territories, so that the producers would be able to dispose of their metal at market prices. A message from Tokyo states that Mr. Hideo Kuroda, the Administrative Finance Vice-Minister, denies that a free gold market has been planned. Japan, he says, intends to send to London gold totalling nearly 30,000,000 yen at par, which the Bank of Japan bought on government account. Previously such shipments went to America for settling accounts.

* * * *

The Japanese Government, which alone is allowed to buy gold, is paying 26 per cent. below the world price, and is at present offering 8.88 yen, as against the par price of 5 yen. The foreign mining companies operating in Japanese controlled territory are required to accept this loss of 26 per cent, when selling to the government. At the same time the ratio of production costs is much lower and profits probably the best to date. The companies are being allowed to send abroad the proceeds of the gold thus sold.

The Renown Insurance Co. Ltd.

This is a Company which has had its schemes prepared by competent authorities with an eye to strict scientific method uncontaminated by a too common tendency of getting rich overnight. The Board of Directors of this Company consists of some distinguished men of the province who are well known in their lines, and under their cautious guidance, the Company bids fair to be one day a virile little institution if only conducted in the proper lines. The Company offers privileges of Automatic Non-forfeiture Scheme, Permanent Disability Benefit and its participating policyholders are entitled to 85 per cent. of the profits of the Company. We hope the Company will steer clear of all unscientific business policies and try to serve the public in a way worthy of the best traditions of business.

The Calcutta College of Insurance

The Calcutta College of Insurance has been removed from the Albert Hall to 44/1 Bowbazar Street, Calcutta, from the 23rd October, 1933.



THE INSURANCE & FINANCE REVIEW

Mng. Editor—Dr. S. C. Roy, F.C.C.S. (Lond.), F.R.E.S. (Lond.)

Editor—MONINDRAMOHON MOULIK

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Editorial

Amendment of Indian Workmen's Compensation Act

The Workmen's Compensation Amendment Bill, the principal provisions of which were discussed in our columns in several instalments, has been passed by the Legislative Assembly and has also received the assent of the Council of State. The amended Act will come into operation from January 1, 1934. The changes in the underlying principles, governing the grant of compensation, the complete revision of the scales of compensation payable and the new classes of employees covered will, however, be brought into operation with effect from July 1, 1934.

The reformed law has made the subject of workmen's compensation immensely important to all classes of employers, bringing, as it has done, many new classes of employees

under the scope of the Act to whom the present law has not been applied. It is estimated that nearly two millions additional workmen will be brought within the scope of the legislation.

The amended Act will apply, among others, to persons employed in connection with the operation or maintenance of all mechanically propelled vehicles, including private motor car drivers; persons employed in the smaller factories even in cases where no machinery is used; masters and seamen of all ships propelled by some form of mechanical power; persons employed in the handling of transport, within the limits of any port of goods which have been discharged from or are to be loaded into any vessel; persons employed in the construction, repair or demolition of dams or embankments twenty feet or more in height; persons employed in

the making of any excavation on which fifty or more persons are employed; persons employed in the operation of any ferry boat capable of carrying more than ten persons; all employees except those in a clerical capacity, on any estate which is maintained for the purpose of growing cinchona, coffee, rubber or tea, and on which twenty-five or more persons are employed; all persons employed in both producing and exhibiting to the public cinematograph pictures; etc. From this list, it will be seen how the scope of the Act has been extended so far as the categories of employees are concerned. In this respect, the Amendment Act is considered to have marked a great advance.

The rates of compensation have also been considerably increased. The revised benefits payable in the case of adults are as follows, column (1) showing the maximum monthly wages, (2) the amount payable in case of death, (3) the amount payable for total disablement and (4) the half-monthly compensation for temporary disablement:

(1)	(2)	(3)	(4)
Rs.	Rs.	Rs.	Half his monthly wages.
10	500	700	
15	550	750	Rs. 5-0
18	600	840	" 6-0
21	630	882	" 7-0
24	720	1,008	" 8-0
27	810	1,134	" 8-8
30	900	1,260	" 9-0
35	1,050	1,470	" 9-8

(1)	(2)	(3)	(4)
Rs.	Rs.	Rs.	Half his monthly wages.
10	500	700	
40	1,200	1,680	" 10-0
45	1,350	1,890	" 11-4
50	1,500	2,100	" 12-8
60	1,800	2,520	" 15-0
70	2,100	2,940	" 17-8
80	2,400	3,360	" 20-0
100	3,000	4,200	" 25-0
200	3,500	4,900	" 30-0
above 200	4,000	5,600	" 30-0

Employees drawing higher wages than any of the above scales will be entitled to the immediate higher rate of compensation. The compensation for death is fixed at Rs. 200 and for permanent total disablement at Rs. 1,200 for minors. Permanent partial disablement benefits will be a percentage of the amounts in column (3), proportionate to the extent of disablement, and for minors a percentage of the sum of Rs. 1,200.

The "waiting period" during which no compensation is payable for temporary disablement was rather long, and has been reduced to seven days. The employers will be required to report all accidents to the Commissioner and to send returns of compensation paid,—the provisions, which have been introduced for the first time—failing which penalties extending to a fine of Rs. 100 will be inflicted on the employers in question. The employers, however, will have no liability if the workers receive their injuries, fatal or otherwise, when outside of their scheduled

work or employment. In order to minimize the hardship caused to dependents by certain defences which the employer can make in case of accidents directly attributable to drink, drugs, wilful disregard of standing rules and safety guards, etc., the new provisions have rendered such defences void in the future.

Under these circumstances, all employers have certain liabilities. A single serious accident to a small employer may involve the payment of a large sum of money—one that may irrecoverably disturb the financial equilibrium of many a small employer. It is obvious, therefore, that insurance is the only real safeguard against such catastrophes. It is advantageous for the employers to insure their liability also from other points of view, namely, the insurance companies make correct compensation and submit accurate returns on behalf of the employers. The small employers should now realise the heavy responsibilities which attend upon their individuals or firms and take proper steps beforehand. The latest Government of India report on the working of the Act points out that insurance companies have greatly facilitated the settlement of claims which have been made upon a liberal basis and, in some cases, *ex-gratia* payments have been granted where there was no legal obligation to pay compensation. A special claims settlement organisation, Calcutta Claims Bureau, has been set up at Calcutta at 26, Dalhousie Square, for handling claims and cognate matters. Further

details and information in this regard may be obtained from them on application.

Dollar-Sterling-Franc

The National Recovery Plan of President Roosevelt attempts, as it appears to us in the light of press reports, to accomplish what the World Economic Conference failed to do for world's economic recovery. So kaleidoscopic have been the changes in the American currency and exchange policy during the past few months that it is well-nigh impossible for anyone in India to estimate properly the measure of attained reform any more than follow the implications of indifferent developments. It seems definite, however, that since President Roosevelt has come into power, it has been his earnest endeavour to break up the gold *bloc* so as to bring about a more equitable distribution and flow of gold amongst the countries of the world.

Although the progress is not as marked as the authors expected it to be, the Recovery Scheme has been partly successful in raising the price level, in solving unemployment and in encouraging production in America.

America has been committed to the policy of currency inflation and the devaluation of the dollar as a condition precedent to the successful operation of the Recovery Scheme. Be that as it may, later newspaper reports indicate that U. S. A. will not only purchase gold abroad at rates which may be higher than those prevailing in London and Paris, but also take recourse to "direct" inflation

if commodity prices do not quickly respond. This decision of U. S. A. has caused more alarm in Paris than in London, since the consequences of America's gold purchase are not likely to lead to a Dollar-Sterling duel, provided the fluctuations are not carried too far, and also because the British Treasury and the Federal Reserve Bank are supposed to have reached an agreement for "pegging" the Dollar-Sterling exchange. France, the leader of the gold *bloc*, will, however, find herself in a difficult position if the American policy causes wild fluctuations in French exchange market. France may, in that case, resort to preventive measures, such as, putting an embargo on gold which would for all practical purposes mean the virtual abandonment of gold standard, the repercussions of which are too many to be enumerated in this short space.

The difficulties of the situation present themselves to any serious student of economics in a much more complicated fashion than one can imagine. If this move made by U. S. A. is strictly adhered to and insisted upon, it will indeed be very difficult for France to remain on the gold standard, a consequence which will bring about a topsy-turvy in the export and import figures of the principal countries. It is also a warning to the British desire to return to gold too soon for the purposes of world recovery. U. S. A. intends to watch the effects of her manipulations and to resort to deflation later on as a first step

towards stabilization and return to normal times.

Speculation, in the meantime, is raging high. There are some who believe that as creditor countries, neither Great Britain nor U. S. A. can go in for unrestricted depreciation of their currencies. France, on the other hand, has suffered from dwindling exports and has been repeatedly faced with a deficit budget. We suppose it will be before long that France will have to devise ways and means for maintaining her economic structure. We cannot hazard any forecast as to what course subsequent events will take, but it may be stated without any fear of contradiction that the world is fastly approaching an international exchange stabilization.

The Problem of the Rupee

The rupee-ratio controversy has again raised its head. Special importance has been attached to the problem in view of the fact that the Reserve Bank which is going to be established soon will be entrusted with the control of currency and exchange policy of the Government of India. The Currency League which has been formed of late in Bombay to move for the devaluation of the rupee and oppose the 18d-ratio has lent considerable impetus to the discussion of the question all over the country and has taken a definite lead in the devaluation move. There has already been much too loose thinking in the matter and both academicians and

businessmen have approached the subject from their own points of view. It would be rash for any one of us to give an unqualified verdict on the rupee-ratio controversy. The problem is such a vastly complicated one that it deserves an analysis so as to measure the balance of advantages and disadvantages of the devaluation of the rupee to a fixed ratio. We do not propose here to enter into the academical niceties of the ratio problem, but would attempt to indicate the lines of argument that have hitherto been put forward, and also suggest our own conclusion from the pragmatic point of view.

In the first place, the main plank in the platform of the advocates of devaluation is the argument that the lowering of the rupee-sterling ratio would immediately cause a rise in the price of agricultural commodities, would stimulate exports, and thereby bring about a rise in the average standard of living. This is based on export and import statistics of the years 1929 to 1933, showing that although exports have declined from 86.5 crores in 1928-29 to 3.4 crores in 1932-33, imports have not suffered a proportionate decline.

Against this it has been contended that the crisis, according to the report of the League of Nations, has affected industrial and agricultural countries unequally. Generally, agricultural countries have fared worse than the industrial countries. So, India

being predominantly an agricultural country has suffered worse. It has also been contended that if devaluation could stimulate exports why should Japan which has depreciated its currency to a ridiculous level have lost her export trade? As a matter of fact, the League report on the effects of depression shows that Japan has fared worse than even India which latter does not compare unfavourably with England and fares decidedly better than Australia and New Zealand. In so far as the ratio question is a phenomenon of the balance of trade, there are certain definite and measurable drawbacks that would far outweigh the advantages gained by devaluation. We have, in this regard, the authority of Prof. Benoy Kumar Sarkar, who says,

"To a certain extent, the higher exchange certainly is an incentive to the purchase of foreign goods by the Indians, since the prices in terms of £. sterling will appear rather cheap to persons possessing the rupee. This, however, is not an unmixed evil because, situated as we are, we cannot afford to do without foreign goods. It is desirable, therefore, in the interests of millions of consumers, especially of such as cannot get their immediate necessities supplied by the industries near at hand, to obtain the goods from abroad at comparatively lower prices. Besides, the industrialization of Indian agriculture as well as other economic functions will need machineries and chemicals,

such as can be furnished mainly from abroad. To get these things comparatively cheap is really a great help to the Swadeshi Movement.”*

This last consideration leads us to the agitation in protest to the devaluation move in Bengal which has of late been industrializing herself on a vast scale. Bengali economists and manufacturers have argued that the cry for devaluation has been raised by several Bombay and Marwari millowners and those who have large vested interests in the industrial organisation of the country mainly for two purposes. In the first place, they want to increase their profits by securing an invisible bounty for their respective concerns. In the second place, it is their desire to shut out the future enterprises and industrial concerns to get the indirect benefits of an overvalued currency, such as have been enumerated above. Recently Bengali enterprises in cotton and sugar mills are cropping up in large numbers. This might have caused some anxiety and alarm in certain interested circles that were afraid of losing their business in Bengal. Bengal, being the largest consumer of cotton goods of all provinces in India, will definitely stand to lose if a set-back is provided to her growing cotton manufacturing industry by devaluating the rupee.

Another argument has been advanced against devaluation which says that if devaluation can really stimulate exports, why the depreciation of the rupee which has taken place as a consequence of the sterling's fall from gold, (the rupee veers near about one

shilling gold since September, 1931), one stops to ask why Indian exports were not provided a stimulus as a consequence?

Secondly, it is a matter of great difficulty to compute the various indices as a measurement of currency valuation in India. These indices, even where they are available, show great disparity amongst themselves which demonstrates the difficulty of precisely estimating what the equilibrium rate should be. The following figures from the “Economist” show the equilibrium rates as between dollar and sterling averaged £1=3·58, for April, 1933.

Based on	Starting from 4866 in Sept. 1931.	Equilibrium Rates starting from 4·48 in Sept. 1931 (i.e. allowing for 10 p.c. over- valuation of the £.)
Wholesale prices	\$4·00-4·27	\$3·60-3·84
Wages	\$3·77-4·00	\$3·39-3·60
Cost of Living	\$4·17	\$3·75

Thus, we find the difficulty of the problem much more aggravated by our inability to prepare statistics which can precisely show the equilibrium rate.

In the third place, the considerations of taxation, Home Charges, customs duties, etc. offer themselves for further analysis. But what strikes us most is the fact that the problems of the country are far more fundamental than merely of currency or exchange. While not attempting to prejudice the issue in question, we draw the attention of the responsible institutions to the necessity of concentrating their attention to economic rehabilitation as a whole for bringing about recovery, better times and prosperity.

* From Sarkar: *Greetings to Young India* (Calcutta, 1927)

The Hitler-State

*A Landmark in the Political, Economic and Social Remaking
of the German People*

By PROFESSOR BENOY SARKAR

(Concluded from our Previous Issue)

III. Economic Reconstruction

It is nearly half a year since the Hitler regime has been established in Germany. And yet the measures of economic and social reconstruction initiated during this period are of such a far-reaching character that Hitler and his followers and advisers are destined to rank among the greatest in the annals of the world's constructive statesmanship. It is nothing short of a profound societal remaking that is going on among the German people today. And nobody is likely to derive more profit as well as inspiration from the methods and principles of Hitler's economics than the peoples of Asia bent as they are on assimilating the technique of a radical transvaluation of life's values.

MOTORIZATION

It is the soul-expanding energism of Hitler that has grasped the problem of reconstructing the transportation system of Germany in a powerful and comprehensive manner. And this is hastening forward the consummation of the "second industrial revolution" which has been going on for some time.

In motorization Germany per head of population and per square mile of territory has uptill now been very backward by the side of France and England. The Hitler regime is ambitious enough to remove this backwardness and raise the German people

up to the level of equality with the French and the English. The plan consists in furnishing Germany with 3,000,000 automobiles and motor lorries in the place of the present 650,000.

ROADS AND RAILS

An Act has been passed in regard to the construction of *Reichsautobahnen* (Imperial Auto Roads). The transportation system of the country is to be placed on entirely new foundations, the old roads being treated as mainly the feeders of the auto-roads. One of the aims is to regulate the "internal colonizing" of the country in the most adequate manner. Both the old and the new roads of the Empire are to be administered by one central authority, the General Inspector, who will have dictatorial powers. His position will enable him to bring order out of the chaotic conditions of today in which the roads are governed by some 65,000 local, provincial and central road boards.

Besides, in order to remove the conflict between roads and railways, the Act has made the Imperial Railway Company the manager of the new road system of *Reichsautobahnen*. The goods traffic of the whole nation will thus be controlled from and by a single organization.

The Imperial Railway Company is financially solvent enough at the present moment

to invest RM. 1,000,000,000 (One RM. = Re. 1-0-0 approx.) in new projects. Naturally, therefore, the autoroads have been selected as proper objects to enjoy the financing by the rail roads.

Operations commenced in the first week of July. It is possible already to notice changes in the economic activity of the people. The number of persons in employment has also been on the increase.

The new roads are meant exclusively for automobiles which therefore will be taxed for upkeep. Six big systems of such roads belong to the present scheme. Some of them are to run east and west, some north and south and the rest diagonally over the entire country.

TAX-FREE AUTOMOBILES

Automobiles for the use of passengers have been declared tax-free by the Act of April 1933. The demand for motor cars has, therefore, increased, leading to the doubling of activity in motor factories. As for those who already possess automobiles it is now possible to enjoy the freedom from the car tax by one single payment. The Empire is expecting RM. 60,000,000 from these single payments and the provinces are in a position to increase their road budget upto this figure.

PURCHASE OF SWADESHI MACHINES FOSTERED

One of the clauses in the Act for the Diminution of Unemployment passed in June, 1933, runs to the effect that no tax is to be levied on an individual or company whenever a new *Swadeshi* (home-made) machine or machine-tool is bought in order to replace an old one, provided of course that no discharge of hands takes place because of the replacement. The factories manufacturing industrial

and agricultural machineries have thereby been experiencing a quickening of enterprise.

CONTRIBUTIONS FOR NATIONAL WORK

According to another clause of the same Act a voluntary contribution is expected of every man and woman in Germany. The contributions are intended to finance "national work." Those persons who made false declarations in regard to their business, income or property during the assessment of June are especially called upon to come forward with a gift of at least 50 per cent of the unpaid tax, should they care to avoid the punishment that is legally forthcoming.

MARRIAGE LOANS FROM GOVERNMENT

An important clause of the Act seeks to promote marriage among young persons, such as for want of economic facilities were compelled to remain single. A marriage loan (*Ehestandsdarlehen*) upto the tune of RM. 1,000 has been rendered available to proper candidates on the matrimonial market. Only those women can get this loan who were employed in some service for at least six months during the two years from the middle of 1931 to the middle of 1933. These women have to prove that their intention to marry as well as the name of the bridegroom have already been announced by the corporation of their city and have been before the public for some time. It is also a condition of the marriage-loan that the bride gives up the position in which she is employed and promises not to go in for employment anywhere as long as the prospective husband after marriage earns at least RM. 125 per month.

No interest is charged on the loan. Repayment is to be made at the rate of 1 per cent per month. The women do not get

the loan in cash. They are provided with non-transferable coupons of 10 and 100 Reichsmarks, and these coupons are to be used by them as cheques or notes while making purchases in the stores for furniture and domestic utensils. Cash is paid to the stores as soon as they present the coupons to the local finance office of the Government. Nobody is permitted to buy clothing, bedding, linen or other things with these coupons. It is exclusively for domestic furniture and kitchen paraphernalia that the coupons may be used and cashed.

AIDS TO MARRIAGE FROM UNMARRIED

The money to cover the expenses of the marriage loan is raised by the Government from bachelors and old maids under 55. Those unmarried persons who have to maintain needy relatives with at least 16 per cent of their income do not have to contribute to the funds of the marriage loan. The contribution is called *Ehestaatshilfe* (aid to marriage) and ranges from 2 to 5 per cent of income. The aid to marriage is legally distinct from a tax. It is to be observed that in Germany there was a tax levied by the Government on all unmarried men and women. But this tax (*Ledigensteuer*) has been removed by the Hitler regime in July, 1933. It is to be understood that the "aid" is more expensive to the bachelors and maids than the "tax." And so there is a pressure on all unmarried persons to get married without delay.

SOCIAL REFORM

The furniture and kitchen industries including the iron, enamel, aluminium and allied industries have obtained a fillip because of the marriage loan provisions. Unemployment is being combated in these fields

somewhat effectively. Then, again, the facilities created for women to get married have enabled them to bid adieu to their forced spinsterhood. This implies a great moral improvement. Besides, working men who were compelled to remain unemployed on account of the absence of suitable jobs are now enabled to get positions vacated by the women going in for marriage.

In 1929 there were 590,000 marriages in Germany. The number came down to 500,000 in 1932. The marriage loan system is calculated to help 150,000 marriages per year.

MAID-SERVANTS AS MINORS IN ASSURANCE

In 1925 the number of maid-servants in Germany was 1,000,000. Today it has gone down to 500,000. On account of economic depression families can hardly afford to keep women in domestic service. Besides, the German law of social assurance compels the *grihasta* (householder) families to pay high premia for insuring their servants. Recently it became impossible for the families to bear the expenses of insurance for domestics. And since domestics could not be employed the families chose to remain childless or to contribute not more than one or two children to the country.

Under the Hitler regime the maid-servants do not have to pay the premium for unemployment insurance. The premium for invalidity insurance payable by them has been considerably reduced. They are, besides, treated as children or minors to the householders; and therefore the families keeping women in domestic service enjoy a concession in income tax, such as is usual in regard to minors.

The German *griastas* (householders) are

thus being encouraged to employ maid-servants as they used to do previous to the economic depression. Women are thereby being enabled to look for and find jobs in homes, *i. e.* places more congenial than factories, workshops, buros, etc. The places vacated by women workers in the industrial establishments are being occupied by men. On the other hand, the mothers in the families are now in a position to devote more time to the care and education of their children because the housecleaning and other work is being done by the maid-servants. Besides, the number of births is likely to be on the increase. Altogether, some important items of social reconstruction are being carried through by the legislation on campaign against unemployment.

THE PUBLIC ACTIVITIES OF GERMAN WOMEN

While watching the solicitations of the Hitler regime for married life and the birth of children one should take note also of the thousand and one forms of social activity, literary, scientific and public enterprise, in which German women have long been playing a mentionable part. The *Allgemeiner Deutscher Frauenverein* (General Association of German Women) was established in 1865. Public life in Germany is richly variegated on account of the activities of women's institutions, such as this *Verein*. The Lyceum Clubs of German women are likewise well-known.

Women are trained as Roentgen operators, sugar analysts, bacteriologists, metallographists in the *Sociale Frauenschulen* (Social Schools for Women) and are employed as such in firms, factories, corporations, sanitary institutions, buros, etc. These schools prepare women for three kinds

of employment: (i) for hygienic work, (ii) for taking care of babies, and (iii) economic welfare work. We in Bengal should make it a point to visit Germany, if not for anything else, at least for surveying these special institutions for women and ascertaining how much of their methods of work can be profitably being adopted by us. These institutions might indeed serve as models for educators and social workers in every country of the world.

It should be a tremendous error to imagine that German women are all stay-at-home people or that they take no part in politics. Political feminism has grown to be a German characteristic in the course of the last generation. It is indeed to German women, young, middle-aged and old, that Hitler, the militant propagandist of yesterday, owed a substantial part of his success.

EMPLOYMENT CREATED

The creation of employment constitutes the leading items in the Act for the diminution of unemployment. The repairs of all public buildings as well as churches can now be undertaken by the cities, states, hospital authorities and ecclesiastical bodies on the strength of loans without interest placed at their disposal by the Central Government (*Reich*). The loans will be rendered available in five instalments per year. Loans are likewise being offered for the following four objects: (i) the establishment of small colonies in the outskirts of towns and cities, (ii) the colonization of agricultural areas by families of cultivators and (iii) the installation of arrangements for providing the people with gas, water and electricity, and (iv) the control and rearrangement of rivercourses.

STATE GIFTS

In the interest of residential houses, buildings for agricultural enterprises, partition of larger houses into smaller family apartments, etc. the *Reich* is prepared to contribute a certain sum, provided the owners are in a position to spend double to five times the amount. On two occasions the total sum of RM. 100,000,000 has been given away for this purpose. Such gifts are available also for enterprises involving underground constructions undertaken by the states and cities. Finally, gifts in kind,—in the form of linen, clothing, and domestic utensils, are placed at the disposal of local welfare centres for distribution among the needy.

LABOUR-NOTES AS MONEY

The *Arbeitsbeschaffung* (creation of employment) measures of the *Reich* would involve enormous expenditure. The sum of RM. 1,000,000,000 has been earmarked by the Central Government for distribution along diverse lines. The money, however, is not to be considered as something paid in cash or currency notes. The *Reich* is issuing *Arbeitswechsel i. e.* "labour-notes" up to the amount named above and has declared itself bound to cash them when presented. The labour-notes run for one, two, three, four and five years. The period of maturity is mentioned on each note. The *Reich*, knows definitely the due dates in each instance as well as the amounts to be paid each year. It is believed that the outgo of the Finance Department is likely to be less than the income because the expenses on account of unemployment insurance will tend to be reduced in large proportions.

The labour-notes are to enjoy all the

privileges of commercial bills. They can be used for ordinary marketing purposes. Taxes can be paid with these notes, which can likewise be used while making voluntary contribution in order to promote national work. Creditors are to accept labour-notes as mortgage. Finally, the Reichsbank is authorized to discount them as it does all other bills of exchange.

THE REICHSBANK AND LABOUR-NOTES

The bank law of Germany, subject as it is to the provisions of the Dawes and the Young Plans, forbids the Reichsbank to discount any bills running for more than three months. Besides, the Reichsbank is not authorized to discount the Treasury Bills issued by the Government beyond RM. 400,000,000. In order to get over these technical difficulties the Hitler regime has hit upon measures such as serve to carry the plan of RM. 1,000,000,000 labour-notes to fruition.

The Imperial Minister of Finance is authorized to issue labour-notes valued at one millard Reichsmarks. These notes are to be made over to the German Society for Public Works which is a Government company. The persons or companies what need Government help have to apply to the Minister of Labour who furnishes them with certificates in case he approves of their plan of business. On the strength of a certificate they can get the labour-note for the value declared. The labour-note is then presented to the Society for Public Works for acceptance. Once it is "accepted" by the Society it can be used by the companies as medium of payment for their purchases. The labour-note then passes from bank to bank for discount and at this stage the

Reichsbank is prepared to rediscount it. The labour-notes are to run for a maximum period of three months. But at the expiry of the third month each can be replaced by a new note or rather prolonged up to the period when the *Reich* according to the original note is bound to cash it.

It is necessary to observe that the losses due to the interest-free loans and gifts will be made up by the income of the State on account of the discount business of the Reichsbank as involved in the transactions relating to the labour-notes.

INDUSTRIES REJUVENATED

Several groups of industries have been experiencing rejuvenation on account of the Act for the diminution of unemployment. As would have been clear from the analysis of the different clauses, the industries chiefly profiting from it are those connected with the manufacture of machines, tools and implements, machine-tools and installations, etc. The industries connected with furniture, enamel, aluminium, etc., belong to the same category. The building and textile industries have equally been favoured. Finally, iron, wood and stone industries allied to those mentioned above, have likewise felt the beneficent touch to no small extent.

Nearly 1,250,000 working men are likely to be provided for in the course of the year. This is an instance of the great extent to which unemployment can be combated by means of judicious legislation and wealth re-distributed by state intervention. The Hitler regime, although hundred per cent nationalistic in outlook and ambition, deserves also to be appreciated as no less socialistic in its fundamental aims and objects, namely,

the elevation of the working men to a higher level of living and thinking.

RESTRICTION OF MACHINERY

The campaign against unemployment has led economic statesmanship naturally also to combat the sinister aspects of rationalization and technocracy. Machinery, labour-saving as it is, has never been an unmixed blessing from the standpoint of working-men ever since the epoch of the "first industrial revolution" in England. The intensified use of machinery and the invention of super-machinery and higher-class tools and implements (such as constitute the chief element in the rationalization effected during the epoch of the "second industrial revolution" through which the capitalistic adults of the world and along with them the entire world-economy are passing) are responsible in a great measure for the world depression and international unemployment. The measures calculated to rationalize the rationalization-process itself, *i. e.* to slow up the pace at which improved machineries are to be introduced have therefore been known for some time to be an effective remedy for the present ills.

One such measure is embodied in the Nazi legislation of July 15, 1933, which forbids the installation of further machineries in the cigar industries. The installation of new machineries has been saddled with restrictions. It is to be observed that this prohibitive and restrictive legislation has reference to those undertakings only which in the course of the last few years have on account of mechanization succeeded in weeding hand-work or cottage industries virtually out of existence. The losses to which the mechanized undertakings are likely to submit on account of the restrictions and

prohibitions are to be made good by the Government.

For primitive countries and semi-industrialized nations it should be relevant to observe that the Hitler measure, promoting economy as it does in the use of machinery, is not intended to be an item in the campaign of boycott against machinery, inventiveness, engineering skill, technology or industrialization. As indicated above, the legislation is designed simply to cry halt to the break-neck speed and the reckless manner in which machineries were being introduced in certain industries without reference to the social economy of the regions or classes affected thereby. Neither scientific discovery nor technical invention is in danger, nor is Nazi Germany going back to "pre-industrial" modes of production and distribution. The control of machinery or introduction of economy in the application of inventions by the combined industrial intelligence and will of the people is itself a factor in the latest phase of industrialization and technocracy. It is as an index to this phase that Hitler's restrictions are to be understood.

TRUSTS CURTAILED

It is with the same object of rationalizing the rationalization process that the Hitler regime has commenced curbing the excessive consolidation tendencies embodied in the latter-day cartels and trusts. On July 15, the law has been modified in a manner that enables the Government without reference to the judiciary to declare whether the concentration or amalgamation desired for in certain undertakings is prejudicial to the interests of workingmen or consumers. In every business enterprise the limit is

being thereby set to the size which it may be permitted to assume. Big "department stores" have already felt the pressure of the law and have been compelled to curtail their ambitions in regard to the enlargement of or addition to their different sections. In the interest of smaller restaurants, cafes, groceries, etc., which were being weeded out by mammoth all-round establishments like the Wertheim, Tietz, Kadewe, etc., the latter have been deprived of the privilege of running the halls for food and drink. In all these instances the motive of Hitler statesmanship is not to penalize "large scale production" as such but to pragmatically hit upon just that size in business organization which is likely to yield the maximum of collective social welfare (*Gemeinwohl*) according to the circumstances of the moment, the region or the trade. One understands also that the abuse of over-capitalization or wastage involved in maldistribution of capital in diverse lines of investment is likely to be prevented by such a measure.

THE CONTROL OF EARNINGS

Indeed, the restrictions in regard to the use of machinery, the curtailment of the right to cartelize and amalgamate at one's sweet will, the limitations imposed on the size of undertaking and the amount of capital to be invested,—all these interferences with *laissez faire* economy are to be taken together as one complex in the comprehensive campaign against unemployment. As parts of the same campaign are to be taken the compulsory dismissals of married women from their posts and their replacement by unemployed husbands. Reduction of overtime work, the establishment of the 40-hour week and so forth belong likewise to the

same complex. It is in the same spirit of finding employment for every able-bodied person that nobody is permitted to have more than one occupation. "Multiple earnings" have been abolished by law. Persons are even compelled to retire from their posts when it is found that they belong to families whose different members earn collectively more than is necessary for their total subsistence. The law against multiple earning is comprehensive enough to include earnings from annuities, pensions, subsidiary occupations, etc. Persons possessing such incomes, should they be substantial enough, are not permitted to enter the employment market as wage-earners.

It is with an all-round programme of "state-planning" and "control" of economic resources and activities in which freedom of the liberal-democratic or ultra-individualistic type has hardly any place that the Hitler-state has made its *debut*. And here we encounter our old Hegelian "absolute" or the state-socialism of Fichte under modern, post-Sovietic conditions.

LAND REFORM AND CULTIVATOR'S INTERESTS

* Socialists as a rule are more interested in industry and industrial workers than in agriculture and the cultivating class. With Hitler the attitude is quite the reverse. In his analysis the foundation of *Kultur* is to be found in the farmer and his activities. One of the most basic pieces of legislation under the Hitler regime has sought to protect the rights of the *Bauer* (cultivator) in the soil inherited by him. The taxation on agricultural estates has been reduced. The farmers are thereby enabled to keep to their holdings. The sales of lands by cultivators which used to be a regular feature in the

social economy of Germany under the previous regimes have automatically diminished in number. An important provision of the new Act, which for the time being is binding on Prussia, runs to the effect that no ancestral property can be sold on account of debts due to taxation. It is, further, provided in a general manner that no farm can be mortgaged beyond a certain measure. Besides, the hindrances to the sale of inherited holdings are defined in a positive manner. An item that has bearing on the profitability of agriculture as an occupation is furnished in the Act by which the middlemen are forbidden to enjoy more than a fixed percentage as profits on the sale of agricultural produce. Cultivation has thus been rendered economically more worthwhile to the cultivator and he has greater interest in clinging to his soil than heretofore.

IV. Social Revolution

TWO ELEMENTS OF NAZIDOM

It is easy to understand and even overestimate the "nationalist" aspects of the national-socialist programme. But in a scientific analysis of Hitler's work it would be entirely off the mark if one were to overlook or ignore the "socialistic" elements in the great campaign. The Nazi is hundred per cent nationalist no doubt, but he is hundred per cent socialist too in his own way. The men and women with whom Hitler has "lived, moved and had his being," and the men and women for whom he lives to work, are persons disciplined in the principles and practice of "social democracy" and communism. It is nothing short of a miracle that Hitler has consummated by diverting the hardened international and anti-national feelings and attitudes of a large section of

the workers,—communists, democrats and socialists—along patriotic and national channels.

Hitler's task is not yet smoothly done, because even as a result of the election of March, 1933 nearly 32 per cent of the Reichstag membership was occupied by the two sections of Marxists, namely, the Sozi and the Communists. As long as almost a third of the German people is Marxist in philosophy, programme, political conviction and social habits the Nazi will have a hard fight to wage in order to win over the men and women to his way of looking at things. And at the same time the Nazi's concessions to the proletarian and socialistically inclined groups will have to be as extensive and profound as possible. The Nazi is, therefore, neither a nationalist of the mid-Victorian bourgeois type nor is he a socialist of the Marxist type that promotes class-hatred and contempt for the fatherland. Consequently, he is likely to be misunderstood as much by the traditional nationalist as by the conventional socialist.

If Hitler has succeeded in replacing their "class-struggle" philosophy by his own ideology of "class-solidarity," social harmony and national unity it is because he has himself been a Messiah of economic and social emancipation for the workers, clerks and peasants. The demands of and for the submerged or repressed classes are Hitler's own demands, and that is why socialism is as prominent an ingredient in the structure of Nazidom as nationalism. The Hitler-state is a genuine *Volksstaat* (people's state) and in this "people's state" a new Germany has been born.

The national solidarity as interpreted by Hitler's Young Germany can give no shelter

to the class-struggle activities and theories of the communists. But the prosperity, efficiency and social welfare of the working classes are not likely to suffer under the Nazi regime just as they did not suffer under Bismarck. By propagating the cult of "universal" conscription for manual labour Hitler has, besides, taken a far-reaching step towards the achievement of genuine social democracy. And in this he has gone ahead of Mussolini.

A WORKINGMAN AS PROFESSOR

Nothing illustrates more concretely the temper of Nazi statesmen than the fact that actual workingmen are being appointed to responsible academic positions of the highest standing. One of the first instances may here be recorded. Wilhelm Boerger, member of the Reichstag, has been offered a position on the teaching staff of the University of Cologne on the Rhine by the Prussian Minister of Education. He will have to introduce the students to the transformation and rejuvenation of German economics. This appointment is specially noteworthy on account of the fact that the University of Cologne has thereby furnished the scientific institutions of entire Germany with an example of its great spirit of revolutionary will such as might be imitated everywhere. For, Boerger is a workingman who does not possess the traditional academic training and status. But as enjoying the confidence of the German working classes he is one of the most prominent. For years he has been untiringly active in the work of establishing friendly relations between the workers and the German people and also given ample evidence of his qualifications as educator. It should be observed, likewise,

that the ministers and departmental heads likewise of the Nazi regime are not persons with highbrow academic distinctions.

THE REGIME OF THE WORKER, CLERK AND PEASANT

The achievement of Hitler is not to be measured solely by its character as an aspect of the revolution in spirit and attitude in regard to the questions bearing on the country and the people. Nor is it to be appraised exclusively or chiefly as a landmark in the constitutional or political revolution of the Germanic states. And finally, the industrial, agricultural and other economic transformations attempted by the Hitler regime must not be regarded as furnishing the only key to the tremendous upheaval associated with the national-socialist remaking of Germany.

The Hitler revolution is a revolution in a more fundamental sense than is perhaps generally conceived abroad or even in Germany. It should seem that for the first time in the history of the German people there is a "real" revolution in Germany. The Hitler regime has done away with the system of fat salaries that used to be paid not only to Government officials but also to the directors and general managers, etc., of banks, insurance companies, factories, business houses, and what not. The German workingmen and clerks have at last been enabled to feel that the "officers" of their establishments are not demi-gods. The economic distance between the "chief" and the men has been reduced to a minimum. The Hitler regime has been seeking to level the distinctions in a manner such as the most radical philanthropists would like to attempt. Not only the workers but the "white-collared

slaves"—the middle class men,—also can feel that the social regime of the bourgeoisie is giving place to that of the mere man.

Last but not least, Hitler's perpetual emphasis on the supreme importance of the cultivator in the national economy has served to endow the cultivating class with a new dignity. It is not merely agriculture as an economic activity but the agriculturists as constituting a *Stand* or professional group of men and women that is passing through a renaissance under Hitler's legislation. The work of the present regime in this regard is well calculated to promote the interests of this class in the same manner and to the same extent as the epoch-making land reforms of Stein consummated in Germany about a century ago.

Altogether, the peasant, the workingman and the middle class, in other words, the submerged classes of yesterday which in Germany as elsewhere constitute the majority of the population, are being led on to the genuine paths of self-conscious manhood and dignified living. German society thus reconstructed will not only be an asset to Central Europe but will serve at the same time to furnish models of societal remaking to the statesmen of Great Britain, France, and America. And its impact on Young Asia will not fail to be momentous.

THE JEWISH QUESTION

The anti-Jewish prejudices of Young Germany in social life are but the common prejudices of Christian men and women *vis a vis* the Semitic people in France, Russia and America also, indeed, in entire Christendom.

In the United States there are hotels which, to put it mildly, do not consider

Jews to be desirable as guests. The anti-Jewish sentiments of the Swiss people, to take a small European country, have had a long tradition. Nearly a century ago, in the year 1842 an Act was passed by the Canton of Zurich in order to deprive the Jews of the pedler's trade. In regard to the trade in horses, the Jews were not allowed to practise it except under special circumstances with police license for fixed periods.

The peculiar circumstances of Germany today call for notice in this connection. In a total population of some 65 millions the Jews number hardly six hundred thousand *i. e.* less than one per cent. But in the Universities of Germany more than a third of all the professors, and in the city of Berlin not less than 74 per cent of the lawyers, and nearly 80-85 per cent of the doctors in municipal hospitals happened to be Jews. This over-Judaization of the public institutions in Berlin as in other cities was brought about in the new conditions engendered by the socio-political complex of 1918. It has become the natural objective of the national-socialist revolution, therefore, to "purge" the public institutions of the Jews and ordain for them a legitimate proportion of the services not exceeding

the demographic percentage. In a wealthy country like Germany and with prosperous families like the Jewish it should not take a long time to redistribute the dismissed Jewish talents in an economically worth while manner.

As a rule, Germans are not blind to the intellectual and moral qualities as well as financial abilities of the Jews. Those Jews who happen to be indifferent to the cause of national honour and are too internationally minded to be patriotic are likely to suffer an eclipse during this the latest phase of Young Germany's spiritual expansion. But neither commercially nor culturally can Young Germany afford to declare a permanent non-co-operation with Jews, especially with such as have love for their German Fatherland. Even some of those who have been expelled or are leaving Germany in disgust are likely to seek repatriation in the near future and function as sober German citizens.

It is interesting to recall that Young Germany under Bismarck had likewise to undergo a *Kulturkampf*. It consisted in the cultural struggle bearing on Protestants *vs.* Catholics. But nobody hears of it today. The Jewish question bids fair in the same manner to be liquidated in Nazi Germany in a few years.



The Cure of Unemployment: Negative And Positive

By PRAMATHA NATH BOSE, B. SC. (Lond.)

In the West, unemployment usually affects the proletariat when Industry fails to absorb Labour solely dependent upon it for subsistence. In India, however, there are but few workers who are so dependent, and it is the bourgeoisie that are chiefly concerned with the unemployment problem. It has become serious enough to exercise our brains only since the beginning of the current century. I well remember the time when it did not exist. It is most acute in Bengal where Westernisation is most pronounced, and is least marked among such sections of our community as Marwaris, Bhatias and Kachhis who are least influenced by Western civilization. These facts give us a clue to the root cause of the problem and that is our cultural subjection, which as I have shown elsewhere* has proved far more injurious than political subjection. From remote antiquity despite numerous political revolutions, India maintained her cultural Swaraj until the earlier years of British Rule, when Sir Thomas Munro declared, that "if a good system of agriculture, unrivalled manufacturing skill, a capacity to produce whatever can contribute to either convenience or luxury, schools established in every village for teaching, reading, writing and arithmetic, the general practice of hospitality and charity amongst each other, and above all, a treatment of the female sex full of confidence, respect and delicacy are among the signs which denote a civilized people, then the Hindus are not inferior to the nations of Europe, and if civilization is to become an article of trade

between England and India. I am convinced, that England will gain by the import cargo."

Of all sections of our community the *Bhadraloks* have been hit the hardest by the unemployment problem. They are reaping, at least partly, as they have sown. There is no demand of their Westernised leaders in the press and on the platform during the last half century which has been more claimant and more insistent than that for universal mass education for the uplift of the so-called "Depressed Classes." As a consequence of the propagation of such so-called education, the more promising and resourceful of our agricultural and trading classes abandon agriculture and trade which on account of their hereditary aptitude they might have improved, and in which they would at least have made a secure living to overcrowd the ranks of impecunious physicians and lawyers and of penurious candidates of various services, the wages of which they have, by adding to the keenness of competition, brought down to figures which would be derogatory even to artisans who have not maintained the genteel appearance of the *Bhadralok* class. Thus the economic result of the uplift movement has been as disastrous as the ethical, its propagation being accompanied by considerable diminution of that most valuable asset of humanity, benevolence, owing especially to the recent recognition by our leaders and the

*"Swaraj, Cultural and Political," "Some Present-day Superstitions," "Survival of Hindu Civilization," etc.

Government of the pernicious communal principle in the recruitment of the State-services. Alas ! our social atmosphere is becoming saturated with bitterness, jealousy and hatred ; and class warfare is being waged all over India, the "untouchables" against caste-Hindus, and the lower against the higher castes.

There are various other ways in which the strong pro-Western bias of new India has adversely affected our economic condition, and thus aggravated the unemployment trouble. The propagation of the Western doctrine of "wanting more wants" (euphemistically designated "elevation of the standard of living") partaking as they mostly do of the character of superfluities, inutilities, futilities and fatuities, is abbreviating almost to the vanishing point our meagre margin between sufficiency and privation without any compensating advantage to speak of. Besides, by inordinately enhancing the stringency of the struggle for animal existence and consequent keenness of competition, it is strongly reinforcing the class-antagonism which, as we have seen above, is fostered by the fatuous uplift movement. The perverse mentality of "everybody for himself and devil take the hindmost" has begun to pervade all sections of our community.

Then, again, the Neo-Indian predilection for representative government after the Western fashion, has led to the supersession of the indigeneous form of democracy, the village self-government, which was well-suited to the economic condition of our people by its modern Western form which apart from its sinister disintegrating influence as evidenced by the communalism and provincialism, it is promoting, is proving economically ruinous. Owing to the multiplication of costly Gover-

nors with their usual paraphernalia of highly expensive Councils and an infinity of State departments, administration has become so very top-heavy that it is out-running the capacity of our people to support it, and is co-operating with the causes mentioned above to accelerate their economic crisis.

II

From what has been said above, it will, I trust, be seen that there can be no satisfactory solution of the un-employment problem which is intimately bound up with our economic condition unless we are able to retrace our steps from the path of Western civilization so



Pramatha Nath Bose

far as it is prejudicial to it and go back to the simple life which obtained about a century or so ago. It may be called the negative method of solving the unemployment problem. If it could be carried into practice, the present cheapening of food grains instead of being a theme for jeremiads in the press and on the platform would rather be one for hallelujas.

But that it is not practicable to any very great extent is evidenced by the persistent pursuit of the path of Western civilization by by large numbers of my Neo-Indian compatriots with their Western slogans of equality, mass-education, "want more wants" and democracy. Its practicability was questionable even half a century ago when the unemployment trouble was barely foreshadowed. And on my return from Europe in the eighties of the last century, it appeared to me, that the principal way in which the economic condition of our country could be improved was by her industrial regeneration on modern methods by Indian agency. It may be conveniently called the positive method of solving the unemployment problem. I devoted what time and energy I could spare from service to agitate for the spread of higher scientific and technical education which had been sadly neglected but which is indispensable for it. My humble efforts in that direction crystallized in 1886 in a pamphlet on "Scientific and Technical Education in Bengal" which was well received by the public. The Calcutta University instituted I. Sc. and B. Sc. Examinations on the model of the London University in the beginning of the current century; marked improvements were effected in the teaching of science, at least in Government colleges; provision was made for the training of mining engineers at the Sibpur Engineering College; and the Bengal Technical Institute was established in 1906.

But, it was obvious, that the expansion of scientific and technical education would not do much good unless Indian enterprise came forward to absorb the recipients of such education. So, as early as 1891, an Industrial Conference (the first of its kind,

I believe) was held in Calcutta at which I had the honour of presiding to tackle this problem. The establishment of the Indian Industrial Association was the most important outcome of that Conference. The Association did much good to promote Indian industry, especially by its annual exhibitions.

I am saying all this in order to show, that industrial development which is now recommended as the chief remedy for unemployment has been tried during the last three decades, but has failed. The facilities for technical and scientific training in India have immensely increased within that time and hundreds of our young men have been proceeding to America and Europe for such training. Strenuous efforts have also been made for industrial development, and they have been fortified by Swadeshi movements. But the wrecks of numerous industrial ventures, the volume of foreign imports, and the terrific increase in the acuteness of the problem of unemployment among our technically educated young men show what little success they have met with. I have elsewhere discussed the causes of this failure. Dearth of capital is the most important. We can hardly realise without straining our imagination, the titanic industrial investments of the nations whose manufactures flood our markets and how very deep and how very vast is the economic gulf between them and India. And she can never expect to add to her wealth like some of her industrial rivals. The wealth which poured into England between the date of Plassey and that of Waterloo—variously estimated at £500,000,000 to £1,000,000,000—is surmised by some to have been an important, if not the most important factor in the develop-

ment of her mammoth industries during their infant stages. The industrial revolution of Germany began shortly after the Franco-Prussian War, and it appears to have derived its initial impulse, though indirectly, from the huge indemnity which Prussia wrung from France. The acquisition of Formosa, Korea and the Southern half of Saghalian, and the political influence which she acquired in Manchuria gave immense impetus to the industrial development of Japan.

The failure of the positive method of solving the unemployment problem has led me latterly to stress the importance of the negative method. Just as the harmonious movements of the stars are effected by centrifugal and centripetal forces, so the restoration of the harmony of our social organization would depend upon the proper balancing of the centrifugal forces of the modern culture of the West and the centripetal forces of the ancient culture of India which are acting upon it in opposite directions.

The Neo-Indian is generally so obsessed by Western fashion, that in a climate where air-bath is pleasant and beneficial to health he covers himself up *cap-a-pie* so as to stop all passages to the ingress of air. In three decades between 1881 and 1911, the population of India (including Native States) increased from 253,891,900 to 315,156,396, that is about 24 per cent. Within that time, however, the imports of cotton and woollen manufactures rose in value from Rs. 23,17,10,610 to Rs. 45,62,27,999, that is to say about 96 per cent, and that too in spite of *swadeshi* and boycott movements and while the number of cotton mills in India rose from 58 to 234, and that of woollen mills from 2 to 5. Making allowance for increased European population, I do not think I shall be far out of the mark

if I conclude that our textile requirements between 1881 and 1911 have been at least doubled. Later figures will, I think, confirm this conclusion which I arrived at a few years ago. Yet it cannot be said that two or three generations ago, our people were less healthy, less comfortable, and more lacking in the essentials of civilized society than their progeny of to-day, though the latter present a much smarter appearance so far as habiliments and other externals of civilization are concerned. From my own experience I can say the former were healthier and happier. Clothing is the chief item of our economic drain. But there are numberless other items which smell it substantially. Cigarette was hardly known about the close of the last century. In 1911, however, nearly half a crore worth of cigarettes was imported. The imports of foreign boots and shoes more than doubled between 1900 and 1909. Between 1901-02 and 1910-11, the value of imported provisions rose from Rs. 1,98,46,721 to Rs. 3,02,03,770, that of glass and glassware from Rs. 94,43,749 to Rs. 1,51,92,052 and that of drugs, medicines, and narcotics from Rs. 1,07,98,728 to Rs. 1,51,052. The Neo-Indian predilection for motor cars, refined sugar, soaps and Western games, amusements, toys, etc., is also largely responsible for our present industrial servitude.

The failure of the positive method of restoring the industrial independence which India enjoyed in the beginning of the last century when instead of importing she exported her piecegoods and sugar,* has led me

* Sales of piece-goods by the East India Company in England reduced to an annual average in the seventeen years ending 1808-09 amounted to £1,530,478 and of sugar and indigo to £ 272,442 (H. Murray's *Discoveries and Travels* Vol. II, p. 375).

latterly to accentuate the importance of the negative method. I have, for sometime past, been firmly convinced, that it would be wiser for us to strive to check the recent phenomenal growth of our requirements by way of clothes, shoes, socks, pottery, glassware, etc., and to revert to 'gur', 'hooka', and such cleansers as oil, mud and grampowder, than to try to multiply cotton mills, tanneries, potteries and sugar, cigarette, hosiery, soap factories, etc.; in short to revert to the indigenous ideas of decency, aesthetics and comfort instead of cultivating and fostering a taste for brummagem fineries and futile, if not pernicious superfluities in conformity with Western fashion.

The negative method suggested above differs from *sreadeshism* as usually understood in the fact, that it would not countenance the efforts which are being made to minister to various new wants which have sprung up under Western influence and which partake of the nature of futilities and fatuities. Our resources would thus be husbanded for the

application of the positive method in more useful directions, especially in agriculture which is pregnant with immense possibilities for the solution of the unemployment problem. As I have said above, the negative method under existing condition, is not likely to be very largely adopted in New India. But even its partial adoption would, in these days of cheap food, minimise the rigour of the unemployment problem, especially if we could revert to the benevolent arrangement of our joint-family system. Besides, the fundamental principles of the negative method would be universally applicable. Its adoption would be fruitful of wholesome results in the West as well as in the East. Simple life, its necessary consequence, would be as beneficial to the Occidental as to the Westernized Oriental. It would obviate the necessity of such controversies as we are now having with Japan and Lancashire, and would enable us to act up to the Vedantist ideal of cosmopolitanism and set an example to the entire civilized world.

HOSPITALITY ?

"The machine was too badly damaged to proceed, so I left it in the yard and spent the night in a cell which the police kindly placed at my disposal."

—A MOTOR INSURANCE CLAIMANT
(From The Policy)

Economics of Silkworm Rearing in Bengal

By **BENOYENDRANATH BANERJEE, M. A.**

Professor of Economics, Vidyasagar College & Lecturer, Calcutta University

ERI SILK REARING

Eri silk is the cocoon of an insect which feeds on castor leaves. Assam is the home of *eri* silk worms. They are bred entirely indoors. The industry can be carried on in many parts of India. It is pre-eminently suited as a cottage industry as the work involved is simple and inexpensive and can be easily carried on in *talli* houses by women and children in their spare time. The worms are hardy and thrive best in a warm and moist climate from July to December and in February and March. The ideal time for their rearing is during the rains when the temperature and humidity vary from 75 to 85, P. and 85 to 95 p. c. respectively. The margin of profit in the industry is, however, small and the utmost economy has to be practised while rearing the worms. The rearing should be done on a small scale in one of the dwelling rooms; it will not pay if done on a large scale with hired labour. It should be undertaken as an adjunct to agriculture like the keeping of goats and cows or the sowing of vegetables for home consumption. Castor should be cultivated in the homestead land if possible and no expenditure should be incurred on that account. It is not difficult to grow castor and one can use the leaves for rearing which would otherwise fall down and be wasted. The cultivator can expect to derive an extra income for his family by rearing the worms and by selling the cocoons and castor seeds. If one starts rearing in July with one thousand

worms, one can get about 100,000 eggs in August and if one can rear half of them successfully, a good income is assured.

The following is an estimate for one acre of land under castor in one year:

	Outturn Rs.
Ten maunds of castor seeds at Rs. 4 per maund.	40
One maund of dry and pierced cocoons	90
Total	130.

	Cost of cultivation Rs. a. p.
Three ploughing with levelling	6 0 0
Ash manure	15 0 0
Ten seers castor seeds	1 0 0
Sowing	1 0 0
Two weedings	6 0 0
Thinning twice	1 0 0
Topping	— 8 0
Plucking capsules	1 0 0
Cleaning seed	2 0 0
Rent	6 0 0
Cost of trays and baskets	10 0 0
Total	49 8 0

Eri silk is very strong and durable. It is valued on account of its softness and cream colour which improves after use. There is no life-killing in any of the processes and hence Jains and Buddhists prefer it to any other

silk. The cocoons are spun into thread on the *Charkha* or *taku* like cotton and not reeled like mulberry or *tassar* cocoons, as long continuous thread cannot be taken out of them.

Recent reports from Bogra seem to confirm the impression that local rearers are inclined, to replace mulberry sericulture with *eri*. The bulk of *eri* silk produced in Bogra is spun locally. 59 rearers under departmental supervision produced 31 maunds of *eri* cocoons, which yielded 9 maunds of yarn, the sale of which yielded a profit of Rs. 900. In Howrah *eri* culture persists, with 160 rearers, mostly in Uluberia subdivision.

Owing to continued trade depression in 1931, the economic condition of the rearers necessitated financial help in the form of a Government loan. The tendency to fall in the price of silk continued till November 1931. Since then, however, there has been some improvement in the situation, and if there be no more set-back, silk worm rearing in Bengal can still be looked upon as a remunerative business. It is to be regretted that due to retrenchment the Government has during the current year closed down the nurseries at Amwita, Kumapur, Surul (Bolpur) and Dacca, leaving only seven open to carry on the most important work of issuing pebrine free seed of the races *nistari* and *chotopolu*, and to develop other important experimental work also in progress.

METHODS OF MANUFACTURE.

A further critical factor in regard to Bengal silk is the method of its preparation for the market, which is at present woefully defective. Unlike most other countries, the reeling of silk, which is the operation in which the cocoons produced by the rearers are

prepared for the market, is in the hands of small men who produce an article which is often inferior and always irregular in quality. It is obvious, therefore, that if Bengal silk is to regain its former position of competition in the silk markets of the world, the old methods must be discarded and the silk from the cocoons must be reeled for the market in such a way as to bear favourable comparison with competitive countries.

Realising the importance of improved methods of reeling and twisting silk yarn the Silk Weaving Institute at Berhmapore was established. But unfortunately, owing largely to lack of funds obsolete reeling and twisting machinery were obtained, which are no use in advancing the industry on the lines of progress necessary to compete with foreign competition. It is of vital importance that the most modern reeling and twisting machinery should be installed, either at the Berhmapore Silk Weaving Institute or by the Bengal Co-operative Silk Union. Other ^{Indian} Bengal silk can never regain its place under ^{Indian} conditions in the world's market. In other words, its scope will be limited to the demand from India itself.

The Bengal Co-operative Silk Union was established in 1927 to organize workers in sericultural industry and silk manufacture and generally to pursue a forward policy for the development of the industry. The Union is a Co-operative body and is the good result of collaboration between Mr. James Peddie, I. C.S., sometime Collector of Malda, the Department of Co-operative Credit, and the Sericultural Section of the Department of Agriculture. The Collector of Malda is the ex-officio President of the Union. The first Superintendent of Sericulture, is the Secretary, and with the consent of Government, Babu Sailendra Kumar Moulic, a senior Nursery Superinten-

dent, has been deputed to the Union until such time as it is considered to be capable of pursuing an independent existence. The Union under the Collector of Malda, is wisely pursuing a cautious policy but is already financing 32 affiliated silk societies of mixed types, with 558 rearers, reelers or weavers as members.

Another instance of happy collaboration between Mr. Poddie, the Co-operative Department and the Sericultural Officers was the issue of agricultural loans in 1928-29 in places where facilities for obtaining loans through co-operative societies did not exist. Again the Co-operative Department authorised Sericultural Officer to supervise co-operative societies within their respective jurisdiction. As a result of this, Sericultural Officers now supervise 65 societies connected with the Malda Central Bank and 32 societies connected with the Malda Silk Union, 5 societies connected with the Murshidabad Central Bank and 9 societies connected with the Bankura Industrial Union.

LEFROY'S ESTIMATE

The late Prof. Maxwell-Lefroy speaking about 16 years ago forecasted the present conditions which have been the outcome of overproduction and a faulty system of distribution. He said, "The whole industry is a scattered home or cottage industry and in these days such are apt to be forgotten, since prosperity is supposed to come with the mill.

"Owing to its being essentially a home industry, practised by a large number of scattered people, and not in any way an organised industry, the workers in it are a class that are very liable to be forgotten. The industry attracts little attention collectively.

In the main its products are consumed in the country and the large commercial centres know little of it and are not affected by its fluctuations.

"An industry that is very much a home cottage industry requires very careful handling and I cannot pretend that in this inquiry I have done as much inquiry among the actual workers as I should have liked.

"Quite distinctly I would aid the home weaver against the employee in the mill where both were Indians, and taking the wider view of the happiness, health and prosperity of the worker, the tendency to replace home industries by mill industries appears to me to be utterly disastrous."

ECONOMIC IMPORTANCE OF THE INDUSTRY

As the products of the Silk Industry are at present mainly consumed in the country figures for the amount produced are not available and the undermentioned calculations giving on the existing area of mulberry can only give an imperfect idea as to the great economic value of the Silk Industry in Bengal, even in its present declining state.

The present acreage of mulberry in Bengal has been found to be actually about 25,000 acres and the economic value of the industry even in this comparatively small area of mulberry has been calculated to be not less than a crore of rupees annually. Bengal gets most of the returns in the form of yarn and fabrics sold to other provinces. The direct revenue in this connection is railway freight, taxes and postage from the whole province.

The economic importance of the industry both to the agriculturist and sericulturist is evidenced by the fact that it has at least 5 crops a year in succession and thus the chance of utter ruin due

to one bad crop is very small. Silk and spinning and rearing engaged 5 thousand persons in 1931, though this was a fall from the figure of 7½ thousand for 1921. Its organization on a co-operative basis and its financing is also comparatively secure as will be evidenced from the following figures from Malda district, the centre of the industry.

AGRICULTURAL LOAN (Purely to Agriculturists).

Amount advanced. Proportion of realisation.

1930-31 24,906 53 p. c.

1931-32 84,327 57·2 p. c.

SERICULTURAL LOAN (Only to Sericulturists.)

1930-31 4,484 89 p. c.

1931-32 3,923 86 p. c.

DEPARTMENTAL MEASURES

Improvement of the different indigenous breeds of silkworms is the first essential to the development of the silk industry in any country. Since the Sericultural Section of the Agricultural Department in Bengal was inaugurated in 1908, this has been in the forefront of departmental measures towards resuscitation of the industry. According to success achieved, the scope of the department has been gradually enlarged to meet the increasing demand of improved disease-free seeds (eggs) of silk-work amongst silkworm rearers. However much the seeds may be of superior quality, even the best seed reared without proper disinfection of rearing houses and appliances may not give a successful crop. Experience in village work has now established the paramount importance of demonstration and propaganda to train the silk-rearers in proper rearing methods. These and many other problems connected with rural development have been considered in the

distribution of work in Government nurseries to suit local needs.

Broadly speaking, the programme of work of the Sericultural Section may be summed up as follows :

(i) Research and investigations relating to the improvement of various breeds of silkworms reared in the province with a view to establish pure disease-free stock strains to suit the requirements of different crops in the rearing localities in different districts.

(ii) Multiplication of the selected strains through the Government nurseries and the nurseries of "selected" rearers, working as seed-growers under departmental supervision for sale of the produce as seeds to the rearers engaged in raising the cocoon crop for reeling purposes.

(iii) Microscopic examination of the stock supplied and supervision of rearing in the nurseries of the selected rearers and passed students of sericultural schools, working as seed-growers.

(iv) Training of the sons of silkworm rearers through the sericultural schools and primary classes attached to Government nurseries.

(v) Demonstration and propaganda in rearing villages to educate rearers in improving their standard of rearing and to guide them in preventing outbreak of diseases and adopting necessary remedial measures.

(vi) Collection of statistics relating to extent of the silk industry in demonstration circuits, and assistance in the extension of co-operative organization amongst the silk rearers.

ECONOMIES IN SILK-REARING

Obviously the future of any industry must depend largely on its own efforts to

adopt its method of production and marketing to modern conditions. The silk industry in Bengal has the resources and resilience to make a large measure of recovery, as may be seen from the fact that in spite of lower values the silkworm rearers in this country have been persisting in their ancient vocation.

The Government nurseries have been able to effect substantial economy in this direction as may be seen from the following figures :

Year.	Total out- turn in <i>kahons</i> .	Total cost of rearing and cultiva- tion.	Total cost of disin- fection.	Total cost of mis- cellaneous.
		Ra.	Ra.	Ra.
1928-29	21,417	84,390	3,401	9,444
1929-30	24,449	79,478	3,171	10,927
1930-31	24,242	70,711	1,951	8,448
1931-32	28,412	61,810	1,114	9,172

The most important factor in this lowering of cost of production has been the improvement of mulberry lands in recent years whereby the yield of leaf has been considerably augmented.

The following are a few of the measures attempted for the reduction in the cost of production :

(i) Improvement of the yield of leaves from mulberry lands by proper manuring.

(ii) Replacing of costlier disinfectants like formalin, E. chlorine, etc. by bleaching powder.

(iii) Extension of tree mulberries to gradually reduce the area under bush mulberry.

(iv) Introduction of better yielding silkworm races after comparative trials to induce the silkworm rearers to rear these tested breeds in preference to prevalent practice.

Though a great deal of leeway has still to be made up, the silk industry of Bengal

is showing definite signs of revival. The Malda Co-operative Silk Union has been an eye-opener, and though the problem of marketing the silk directly at the principal centres of consumption has not yet been properly tackled, it can be expected that something definite will be done as soon as trade conditions and the Government's financial position improve.

The industry, moreover, has great potentialities of being adopted in rural Bengal almost as in Japanese home.

FUTURE OF SILK AS A COTTAGE INDUSTRY

As Miss Cleghorn, the noted sericulturist, in the course of a paper before the Bengal Women's Educational Conference, 1929, said :

"I have tested with great success its possibilities in Bengal as a cottage industry with the simplest outlay, from the rearing of the worms to the finished fabric. I may say that we found that the worms flourished and were a means of turning jungle in Bengal into silk of high price. As compared with any other fibre-producing crop, its chief advantages are :—

(i) The cocoon may be harvested within fifteen to twenty days.

(ii) There is no need to cultivate its food plant, as the castor tree grows neglected and in abundance in most village areas of Bengal.

(iii) The capital outlay for the spinning and weaving of the silk is negligible, a *taku* or spinning whorl and a simple portable loom consisting of a few bamboos, which can be rolled up and put on one side of a living room when done with for the day, being all that is necessary a very great consideration in

many homes where the floor space is limited. These homes are quite unable to house a larger or fixed type of loom. The same applies to the spinning wheel, which takes up a fair amount of permanent space, while the *taku* when put aside occupies about 2 square inches.

"By spinning silk on an inexpensive whorl, the initial expenditure of which is only a few annas, and which can easily be made and repaired by the village carpenter, I have found that if she spins only half-a-seer in

the month, she can earn an income of at least Rs. 4-8-0 to Rs. 6 per mensem, according to the quality of her yarn. The price of *matka* yarn, both mulberry and *eri*, is from Rs. 6 to Rs. 13 per seer; samples of both are exhibited here, all spun on the *taku*. If she reared her own silkworms and thus obtained the supply of cocoons for spinning her yarn, Rs. 4-8 to Rs. 6 would be entirely clear profit, with the exception of the nominal price of the *taku*."

THE SYMBOLISM OF "SHIRTS"

The origin of the revolutionary symbolism of shirts dates from Garibaldi, but it is not so generally known that he adopted his red shirt by accident, and really for want of something better to wear.

When he and his company of volunteers were fighting for Montevideo in a South American war the republic was unable to pay him, and when he asked for at least some clothing he was given a bundle of shirts designed as overalls for slaughtermen, and red, so that the bloodstains of the abattoirs would not show.

When he fought in the two wars against Austria he and his Red Shirts, as his corps was called, became famous, and when with the Thousand he invaded Sicily they were regarded as invincible.

In addition to the tradition of invincible valour, a shirt now also connotes a revolution aimed at a return to the past—a notion of revolution not commonly understood. Garibaldi fought for a united Italy to restore the ancient glory of Italy; not to forget the past or to found something entirely new.

—*The Statesman*.

More About "Insurance and Socialism"●

By FRANK C. BANCROFT

There has come to our hand an English insurance journal, *The Assurance Review*, in which reference is made to an article in *The Insurance and Finance Review* for July. The article called into question by "A Reasonable Man" was entitled "Insurance and Socialism", and did not entirely meet with his approval. He disagrees with our major thesis that the two considerations in question are fundamentally related, and states: "Now this argument is essentially wrong and is based upon the natural desire of a convinced socialist to claim for his own pet theories any system of trading that is beneficial and obviously desirable."

Mere controversy is of all idle pastimes the most vicious. At the beginning of this article we should like to admit to our Reasonable Friend that most of what he says is right. There has been a misunderstanding in terms for which we, more than he, were probably responsible. Nevertheless, there remains an important issue, and the purpose at present before us is not to combat the arguments of "A Reasonable Man", but to get to the meat of the matter. Is, or is not, insurance, broadly speaking, Socialistic?

In the first place, we should not make the mistake of substituting forms, instances, or imperfections, for the reality. Socialism

is primarily and pre-eminently a practical philosophy of corporate living, and is not to be identified with any particular efforts thus far made to embody it in fact. Our friend has defined Socialism as "State ownership and management of all means of production and distribution." Whereas this is a reasonable and commonly accepted definition, we do not feel bound to accept it as the only one, or even by any means as the best. We would substitute for it something like this: "Socialism is the organization of corporate life for the good of society as a whole rather than for the benefit of any privileged group." No doubt this will be criticized as being vague and ineffective. From a strictly political and executive point-of-view, it is indeed inadequate, but from the stand-point of philosophy, it is more to the point. Perhaps modern reasonable men do not admit that there is any value in ideas as such, but it might be well to point out that not only socialism in the mind of Karl Marx but even insurance, as it now exists, originated in ample general thinking.

This is the real issue as we see it: that, as regards the strife between class individualism and social responsibility, there is only one fruitful direction, namely, that of increasing socialization; and that this *philosophy* is closely related to the *philosophy* of insurance. Furthermore, in the more practical realm, insurance is concerning itself with larger and larger groups, further and further remote from the individual who pays the

* This is by way of a rejoinder to the criticism, published in the September issue of the *Assurance Review* of Wolverhampton, of our esteemed contributors' article on "Insurance and Socialism" in this *Review* for July, 1933.—Editor, *I. F. R.*

premiums and even from his immediate dependents. Thus not only in germinal idea, but in practical development in observable human society to-day, socialism and insurance are increasingly coming to be seen as germane.

For a fuller exposition of this thesis, we refer readers to George Bernard Shaw's "An Intelligent Woman's Guide to Socialism." He points out there that even taxation is socialism in the making. Even though a man is blind and never goes out at night, he pays his share to the public street-lamps : and even though he never crosses a certain

bridge once in twenty years, he pays as much toward its construction as he who traverses it daily. We get to the stuff of ideas by drawing them out toward their conclusions. Socialism is but the inevitable eventual stopping-place of society itself. And the future of insurance lies in its appreciation and espousal of the fact that not only do fortunate individuals need to be insured against the vicissitudes of fortune, but groups, classes, nations themselves, must call forth and distribute the social wealth in such ways as to promote the social good.

INDO-JAPANESE TRADE

The following table shows the quantity and value of the raw cotton exports to Japan from India during the past five year :

	1927-28	1928-29	1929-30	1930-31	1931-32
Quantity in tons	220,495	287,508	292,781	301,018	192,818
Value in rupees	21,98,58,853	29,02,62,440	27,29,64,423	20,99,31,199	11,04,66,480

There are approximately $5\frac{1}{2}$ bales to a ton.

The following table shows the quantity and value of the piecegoods imported into India from Japan during the past five years :

	1927-28	1928-29	1929-30	1930-31	1931-32
Quantity in yards	323,053,458	357,343,077	561,965,625	325,775,991	339,781,843
Value in rupees	8,24,74,783	8,89,28,981	12,69,56,110	5,92,99,836	5,45,20,421

Prices

By N. L. NANDY. M. A., C. A. I. B., (Lond.)

In the low level of prices that is prevailing since past few years we can trace the final link connecting the causes of the economic depression, multifarious and complex as they are. It will be found in the *Review of the World Trade* published by the League of Nations that during the last three years the volume of trade has recorded a continuous decline, both in quantum and in prices. Also, it has been observed that though the fall in prices slowed down in course of the past year the figures available do not warrant the conclusion that there has been a stop to the contraction in the quantum of trade.

Fall in prices by itself is not of much economic significance. To perform each transaction fewer monetary units than before will be required and that is no reason why in quantum the trade will contract. This contraction is the outcome of smaller business as many industries have become unprofitable due to the discrepancy between money prices and money costs. Money prices have fallen heavily but costs principally wages—have not fallen to match. Reduced output has necessarily increased unemployment. The International Labour Office recently estimated the unemployment figure at 30 millions, which is generally regarded as an underestimate. Anyway, the resulting suffering and demoralisation is very great as the unemployment figure leaves out of account the workers, families or dependents.

To remedy the resulting evils and restore prosperity either the costs must be

reduced or prices must rise. The majority of the instructed public opinion prefers the latter course as the practical difficulties to reduce costs are many and serious frictions are to be overcome. Prices can be raised by reducing the supply, but it will be senseless to advocate such policy while work is not available for the big army of the unemployed. The same purpose will be served by means of monetary expansion—an absolute increase in the quantity of money or its more rapid circulation or both these things together.

Prices were one of the major problems before the Economic Conference but the way to international co-operation was found to be blocked by self-interest, and no solution could be reached. The countries still on gold standard found that their economic systems will gather greater strength if exchange rates were stabilised *i. e.* the price of the currency of one country was fixed in terms of others but America was of the definite opinion that internal economic system needed first attention and before the question of rates of exchange could be taken up currencies of all the nations should be stabilised permanently. She put her faith in the policy of raising prices and with this end in view left the gold standard and by requisite amendments to the Farm Bill she gave shape to her plan of inflation. By his suggestion at a sub-committee meeting of the Monetary Commission that prices should be raised by cheap and plentiful credits and

checking deflation, Mr. Neville Chamberlain voiced the British view.

Higher level of prices means a reduction in commodity value of money. If all the nations could arrange for a step-for-step movement towards a policy of inflation the result would have been increased prosperity for all. With the fall in the commodity value of money the debtor countries would be less likely to default as the burden of debt would be less overwhelming. Fall in prices is heavier in the products of non-industrial countries, majority of which are indebted abroad and this has involved an enormous increase in the burden of the fixed charges on their foreign debts. Nor would there be much loss to the creditor countries which would be simply required to forego the windfall gain conferred upon them with the collapse in prices. Prices of agricultural and primary products when increased would increase the buying power of the countries exporting these commodities and there would be better sale of the products of the manufacturing countries. If in this process a substantial part of the unemployed could be called back to work that would be a gain sufficient to offset any loss that might occur to any party.

Taking all the circumstances into account we will see that it will be to her advantage if India follows the policy to raise the level of prices. When prices in one country rises relatively to those in others the rate of exchange turns adversely to the former. This depreciation by itself is not of much significance and it is possible for Government with the help of the press to palliate the shock that the public confidence might receive in the process. A depreciated rupee exchange can make the cost of imported goods dearer to India. But she need not

fear much on this score. A very great portion of her total trade is with the Empire and the United States which are off gold and believe in the policy of raising prices. India is taking a turn for manufacture, but she need not import raw materials for the purpose so she will be under no disadvantage with exchange depreciated in terms of gold. Further she has a very large home market to develop and need not much concern for foreign trade. One of the reasons that United States could make such a bold stand for raising prices is that she possesses a vast market at home.

India has adopted the doctrine of protection in her fiscal policy and she is encouraging local production of goods that are the chief items in her imports, *e. g.* cotton goods, sugar, etc. Rise in prices will give the needed acceleration to local production. It will increase the volume of internal trade—whose exact figure is not known but it must be very great and bring prosperity to the masses. The heavy fall in prices since 1928 have rendered the peasant classes unable to meet their fixed charges and make them absolutely unable to buy necessities. With increased prosperity of the people the position of indigenous banks and other credit institutions will improve. Indigenous credit institutions are passing through a very difficult stage by the inability of debtors to repay loans. Rise in prices will improve the conditions not only of these concerns it will make stronger the financial position of the Government.

National incomes have fallen everywhere as a consequence of the decline in prices—in many cases the fall is estimated at about 40 p. c. Government revenue has fallen but the expenditure has not shown a correspond-

ing decline and a series of budget deficits has been the inevitable result. Ordinarily, monetary expansion when confined to one country results in a fall of exchange rate and flight of capital from there, but that danger will not come here as India will be in the good company of United States and the rest of British Empire. It must be noted in this connection that the successful conduct of conversion operation has introduced a force to push prices up. By pressing low the rate of interest on long-term loans it is expected to give a fillip to private investment and activity and so to raise prices. It is very

desirable that government should encourage this tendency and discourage the local bodies and private firms with idle reserves from paying off their bank overdrafts and thus to deflate currency.

When all is said, it must not be forgotten that to stop fall in prices import restrictions and higher tariffs must go. Prices in international markets have fallen as the trade carriers have narrowed the market for exportable goods, but these obstacles by supporting high prices in protected areas have stifled there the demand.



Industrial Uses of Cane Sugar

By PROFESSOR BANESVAR DASS, B. S., CH. E. (Illinois, U. S. A.)

Professor of Applied Chemistry, College of Engineering and Technology, Jadavpur

[At a time when the country is very eager to make itself self-sufficient in regard to its requirements of sugar and when sugar mills are being started on a large scale, this article from the able pen of Prof. Dass will be, we hope, highly welcome. He has, in short, pointed out the immense possibilities for the utilization of by-products of sugar in numerous industrial purposes. The scope which exists for increasing the demand for sugar for internal consumption in industrial purposes is also emphasised.—*Editor.*]

Of all the industrial uses of cane sugar, its largest use is as an edible substance. However, the science of chemistry has developed several new uses for cane sugar other than food, some of which have already found industrial application, some are about to be applied industrially and the rest are still in an experimental stage.

The various uses to which sugar has already been put are in the manufacture of transparent soaps, explosives, tanning materials, dyes, leather, printer's rolls, hectograph pads and pharmaceutical preparations. Sugar was used as an antiseptic agent in the treatment of wounds during the last world war. Sugar has also been used to remove lime from hides after dehairing and to dissolve lime from certain minerals.

Sugar solutions have been successfully used for the impregnation of woods. This process prevents shrinkage of woods and protects them against the attacks of termites and improves their qualities in many other ways. Many attempts have been made by chemists to produce useful products by

treating sugar through bio-chemical processes. An important achievement in this field has been the commercial production of citric acid from sucrose by the bacterial action. Further oxalic acid has been successfully prepared from sucrose by fermentation and it will soon be manufactured commercially.

A variety of uses have been made for the derivatives of sucrose, such as calcium-saccharate has been employed in making ice-cream and whipping cream. Copper-saccharate has been advanced as an insecticide. Sucrose-octanitrate appears in the mixtures of nitrated glycol and glycerol. It is believed by some investigators that sucrose acetate can be used in the place of cellulose acetate. Sucrose-benzoate may also find similar applications.

Sucrose may be regarded as a sugar alcohol due to its reducing powder. However, it differs from sugar alcohols in being hydrolyzable into monosaccharides which have different properties. Sucrose have been subjected to esterification and etherification and derivatives of both types have been obtained. They are being examined for possible application. Sucrose has also been acetylated and octaacetate has been prepared with 90 to 95 p. c. of the theoretical yield by treating sucrose with an excess of acetic anhydride in the presence of sodium acetate as a catalyst :

The fused octaacetate of sucrose possesses glassy or resinous characteristics. Hence

it is possible to use it as gum constituent of lacquers, as plasticizer and as an ingredient anhydrous adhesives. It has been already introduced successfully in the treatment of paper. There is sufficient promise of its industrial application and it is being produced on a semi-commercial scale. Production on a large scale will be made as soon as the process is perfected.

Octabenzoate is another ester derivative of sucrose. It resembles octaacetate of sucrose in many ways. The subject of possible industrial application of benzoates is being carefully investigated.

By autoclaving sucrose with 6.5 per cent. hydrochloric acid for one hour at 160°c., leoninic acid has been prepared. In this process, formic acid and humic acid have been obtained as bye-products. Many investigators are studying the properties of esters of levulinic acid with a view to find their industrial uses. In this connection, the methyl, ethyl and butyl levulinates are worth mentioning. They are all rapid solvents of nitro-cellulose and show good promise of utility.

Of all the direct uses of sucrose, the application of sugar in the manufacture of lime-sand mortar appears to be indeed worst promising for a successful use of large quantities of sugar. Use of sugar in lime-sand mortar played an important role in the

ancient Indian Architecture. In view of the recent growth of sugar factories in India and the supply of enormous quantities of bye-product molasses at ridiculously low prices, the manufacture of this mortar should command special attention of the Indian financiers and business men. Mortar containing sugar is distinctly superior in all respects to ordinary lime-sand mortar. Mortar containing sugar possesses certain qualities of workability that are superior to cement-mixtures or gypsum plasters. But it lacks in strength and if this strength can be increased by some suitable method, it will no doubt find an extensive field of application. Many investigations have been in progress in connection with this mortar and the results obtained so far are indeed hopeful and encouraging. Briquets have been made in molds as per the specifications of A. S. T. M. and they have been tested for their tensile strength sugar content of the mortar has been varied from 0 to 12 per cent of the quick lime used in 1 per cent stages. Variations of tensile strength have been found to occur. However the addition of sugar amounting to 6 per cent of quick lime has been found definitely to increase the tensile strength by 60 per cent. The lime must be slaked and cooled before addition of sugar. The proportions of sand and water may be varied as desired.

The Economic Remaking of Bengal

By PROF. BENOY SARKAR

EXPANSION OF ECONOMIC ENDEAVOUR

The economic remaking of Bengal is characterized by the expansion of the Bengali people along diverse fronts of economic endeavour. The rate of this expansion, however, is low, and the progress, although steady, is slow. For instance, in the number of town-living people Bengal today is equal to 1.37 times the Bengal of fifty years ago.

INDUSTRIALIZATION FASTER THAN POPULATION-GROWTH

Some of the most dominant feature contemporary Bengali economy are to be found in the new means of livelihood that have emerged



Prof. Benoy Sarkar

as a result of the conquest of science and technocracy. With 1901 as the base the population of Bengal increased upto

nearly 111 in 1921. But during the same period the number of men, women and children maintained by occupations connected with the extraction of minerals rose to 244, with railways to 196, with trade in chemicals to 176, and with textile industry to 128. That is, the progress of industrialization proceeded at a much higher rate than the numerical growth of population.

NEW CROPS AND PROSPERITY

It is to be observed that the number of men, women and children supported by the cultivation of special crops as well as by vegetable and fruit gardening increased to 132.

And the fact that the number of persons maintained by motor driving and domestic service rose to 167 shows that in 1921 prosperity was enjoyed by a much larger number of families than in 1901.

NOT MORE AGRICULTURAL

Attention should also be called to an important item in the economic structure of the Bengali people. The number of persons supported by ordinary cultivation did not rise to a higher figure than 111. Thus, relatively to population, Bengal did not grow more agricultural, as is commonly believed. And apart from the special industries mentioned at the outset, the progress of general industrial occupations was a few points above that of general agriculture.

INCOME-ENJOYING CAPITALISTS

From 1921 to 1931 the population of Bengal increased only 7.2 per cent. But the

number of persons "living on their income" rose 34.6 per cent. This class does not include the landowning or zamindar community and points to the growth of what may be described as non-rural and non-agricultural capital. The expansion of capitalism is a signal feature of the new economy in Bengal and is indeed correlate to the phenomenon that industrialization has marched faster than population-growth.

TECHNICALLY EQUIPPED MIDDLE CLASS

The persons whose occupations are indefinitely described in statistical publications have grown more than 35 per cent. On an intensive examination it is found that they belong to the class of manufacturers, businessmen, contractors, mechanics, accountants, book-keepers, and industrial workers. We encounter here the expansion of technically equipped middle-class and labouring classes. In the perspective of this remaking of Bengal's economic and professional groups we are to visualize the numerical growth of motor in personal service as well as of cooks, bearers, durwans and other domestic servants by 70 per cent in ten years.

INCREASED JUTE SALES OF CULTIVATORS

During the first period of the Swadeshi movement (1905—09) the average annual income of cultivators from the sale of jute amounted to Rs. 249, 661, 000. But during the quinquennium (1925—29) the average per year rose to Rs. 569, 662, 000. The cultivators' income rose from 100 to 228.1. But during the same period the population rose from 100 to 119.1. By sales of jute the cultivators have got during twenty years proportionately more than, almost twice as much as, the population has grown in numbers.

MORE HOUSES PER SQUARE MILE

Fifty years ago there were 75 houses per square mile in Bengal. Today there are 120. In Chittagong Division the number has increased from 44 to 108, in Dacca Division from 81 to 170, in Rajshahi Division from 75 to 105, in the Presidency Division from 80 to 112 and in the Burdwan Division from 111 to 139. In each Division as well as in the entire country the Bengali people today has more housing accommodation per square mile than in the days of Bankim Chandra Chatterji. This is an index to the improvement of our material, sanitary and moral conditions. In those days, be it observed, further, the number of persons per house was 6.3. In the course of half a century the number has come down to 5.1. That is, men, women and children in the Mofussil are today living more comfortably than before.

THE MASSES IMPROVING THEIR STANDARD

While attempting constructive programmes of national welfare for the Bengali people we should not fail to take advantage of the positive prosperity of the peasants and rural folk, however modest it be, that has been in evidence in recent years. To the increased provision of houses has to be added that of clothing, shoes, umbrellas, playing cards, lanterns, schools, act such as signalize the consumption-schedule and purchasing power of the Bengali masses. It need not be overlooked that this heightening of the standard of living has gone on inspite of the increase in the cost of living and rise of prices.

PEASANTS' DEBTS IN BENGAL AND JAPAN

During the quinquennium 1906-10 the debts of agriculturists in Bengal amounted to

Rs. 121 per family of 5.1 persons. Today they have risen up to Rs. 175, i.e. nearly Rs. 35 per head. The increase is just equal to the increase in population. Agricultural indebtedness is an eternal fact of peasant life every where. In Japan, for instance, the debt of 50,000,000 cultivators is 5,500,000,000 Yens. This means nearly Rs. 150 per head. The debts in Bengal can be controlled by cooperative credit societies and land-mortgage banks as in other countries.

Then there is the French method of compelling the Reserve Bank to contribute large sums to the Government by whom they are ear-marked for distribution among cultivators as loans at modest rates.

INDEBTEDNESS AS WEALTH

But all the same, as long as the ryot possesses the security of tenure his debts to the Mahajan and the Zamindar constitute really his capital. The interest enjoyed by the moneylenders, as long as it is not inhumanly high, is to be appraised as but their share of the agricultural produce to which they have a legitimate right by virtue of their advancing the credit. Whatever be the formal law of property, economically speaking, the land belongs in part only to the cultivator and in part also to the persons who finance him. The increase in indebtedness may indeed be an index to the increase in national wealth as embodied in the peasant's enhanced security and credit as well as augmented purchasing power. In the economic societies constituted as they are on the individualistic basis the role of debts as capital and of interest as a share that registers the claim to virtual joint proprietorship is to be accepted as the first postulate of normal business organization. The Mahajans and Zamindars

are perhaps "more sinned against than sinning."

ZAMINDARS AS FINANCIERS.

Among the several factors that have helped forward the remaking of economic Bengal due might is to be attached to the services of the Zamindars, i.e. landowning or rent-receiving communities. By allowing the rent to fall into arrears they function automatically as mahajans or bankers to the ryots, who are thus enabled to carry on their agricultural operations in a somewhat secure manner. Besides it is the public spirit of Zamindars that has enabled them to transfer a part of their wealth to the community by means of gifts in the form of roads, tanks, schools, hospitals, literary and scientific patronage, religious endowments, etc. Last but not least, in the development of modern industry and commerce during the different periods of the Swadeshi Movement the donations made and shares held by the Zamindars have played a considerable part. Their role as financiers of the Bengali enterprises is too important to be overlooked.

LAND REVENUE IN BENGAL AND BOMBAY

The contributions of the Bengali Zamindars to the public finance are likewise not to be slighted. In the Bombay areas the Government does not realize more revenue from land per acre than does the Government from the areas in Bengal. The total land revenue in Bombay is Rs. 48,314,000. This is 1.6 times the land revenue (Rs. 30,073,000) realized in Bengal. But the area in Bombay (78,740,000 acres) is 1.6 times the area in Bengal (49,187,000 acres).

The peasants and middle classes have

succeeded in deriving some economic benefit from the concentration of capital in the hands of Zamindars. And to the Government also the Permanent Settlement has not meant bad business.

NON-BENGALIS IN BENGAL.

The wealth of Bengal has been built up not only by the Bengali people but by a number of non-Bengalis as well. Immigration from other parts of the Indian sub-continent has led to an internal colonising of paramount importance in the economic remaking of Bengal. In 1881 there were 2·4 foreign-born men and women per hundred inhabitants of Bengal. Today they are numbered at 3·6. The growth is 50 per cent.

FOREIGN ELEMENTS IN ENGLAND, FRANCE AND GERMANY

During the same period the proportion of foreigners in the United Kingdom has grown 100 per cent, from 0·91 per cent to 1·8 per cent of total population. In France the foreigners used to account for 2·67 per cent of the total population in 1880. Today they are 5·97 per cent. The foreign element has grown 123 per cent. In Germany during the same period the foreign-born men and

women have risen from 0·34 to 1·51 per cent of the population. The growth of the foreign element is therefore 344 per cent.

The British, the French and the Germans are intensely patriotic peoples. In spite of their nationalism and imperialistic achievements and ambitions they are used to having a larger and larger percentage of non-national men and women in their national economies. Indeed, modern wealth in every region is the creation to a certain and increasing extent of the economic services of foreigners. The foreigners' contributions are really allies in the economic expansion of every people today.

NON-BENGALI BRAWN, BRAIN AND BULLION

In all these instances the foreigners have been contributing their brawn and brains, nay, bullion also to the land of their adoption or settlement. The economic expansion of Bengali cultivators, workingmen, *bhadralok* and bourgeoisie, in so far as and to the extent that it is a solid fact owes its present level to the co-operation of non-Bengali coolies, labourers, mechanics, clerks, engineers, bankers, middlemen and financiers with the Bengalis of all classes in the villages and towns.



EUROPEAN INSURANCE INTELLIGENCE

(From Our Own Correspondent)

BERLIN, OCTOBER 15, 1933.

German Life Assurance

The Association of German Life Insurance Companies is giving for the 48 Companies belonging to the Association the following figures for the first six months of this year.

At the end of this period there were in force for Large Life Assurance 2,564,784 policies representing a total sum insured of Rm. 10,79 milliards 1 as against Rm. 11,27 milliards for the same period of last year. As regards Small Life Assurance there were in force at the end of June 1933 7,055,742 policies representing a total sum insured of Rm. 2,75 milliards against Rm. 2,63 milliards at the end of June 1932.

The total number of Life policies was at the end of June 1933 9,620,526 representing a total sum insured of Rm. 13,54 milliards against Rm. 13,90 milliards at the end of June 1932 and Rm. 13,88 milliards at the end of last year.

The total premium income was for the first six months of this year Rm. 307,386,693 against Rm. 325,280,000 for the same period of last year. Revalorized policies are not included in the above.

Short-and long-term investments destined for covering the engagements (mortgages, securities, loans, real-estate, etc.) amounted at the end of June 1932 and Rm. 2,93 at the end of 1932.

Payments affected to the assureds and their survivors for sums having become due on the policies, dividends and other payments amounted on the whole to Rm. 198,686,342,

against Rm. 197,800,000 for the same period of last year.

Fire Insurance in Germany

Fire losses sustained last July by the companies belonging to the Association of Private Fire Insurance Companies in Germany amounted to Rm. 5,32,000 against Rm. 5,844,000 for July 1932 and Rm. 8,940,000 July 1931. The total number of losses sustained by the above Companies is for the first seven months of this year Rm. 39,790,000 against Rm. 47,170,000 for the same period of 1932 and Rm. 56,700,000 in 1931.

The respective figure is for August of this year Rm. 7,832,159 which means an increase against the preceding month by not less than 44 per cent., this development being nearly the same last year, too, when fire losses amounted for July to Rm. 5,844,470 and to Rm. 9,922,119 for August which makes an increase by even 69,8 per cent. Regarding this year's figures it is still remarkable that those given for last August do not yet include the great fire catastrophe in the Duisburg harbour.

As regards Public Life Assurance fire losses sustained by the Companies belonging to the Association of Public Life Assurance Companies in Germany amounted for August of this year to Rm. 776,1078 against Rm. 5,918,901 for the preceding month which makes an increase by 30 per cent the respective figures being for August of last year Rm. 12,5933,63 and Rm. 7,795,215 for July 1932, the increase being, therefore, for August 1932 62 per cent. against the preceding month.

CURRENT TOPICS

Lecture on Co-operative Movement in Japan

Mr. T. Nakada, Offg. Manager of Messrs. Mitsui Bussan Kaisha, Ltd., delivered an interesting speech on the Co-operative Movement in Japan, presiding over a meeting at Calcutta to celebrate the Eleventh International Co-operators' Day. The following is the substance of Mr. Nakada's speech.

Co-operative movement was inaugurated in Japan some time in 1882 through the instrumentality of Viscount Shinagawa and Count Hirata, two Ministers of State, who learned Co-operation through their travels in Germany. In 1900 a great impulse was given by the promulgation of law regulating the formation of Co-operative Societies. From that time they have speedily increased in number, variety and prosperity. The number of Co-operative Societies of all types, is about 16,000, embracing about 200 federations. The paid up Capital is approximately Yen 199,000,000. The majority of Societies are in rural districts. Their members consist chiefly of agriculturists with limited means, who represent 70 per cent of total membership of approximately 45 millions.

Co-operative Societies and Federations are under the supervision of Governors of Prefectures and of Ministers of Agriculture and Commerce. Government lend money to the Co-operative Societies at low rates through Mortgage Banks and the purpose of Co-operative Law is to help with a sort of care, small farmers, industrial workers and producers of limited means. These among others, account for the great number of credit Societies and the extent of their activities in Japan. It has done immense good to our country, and it is bound to do so in your country as well, as it has done elsewhere.

Let us therefore on this international Co-operators' day stand mentally and spiritually united with Co-operators of other lands. Let us realize that the economic, social and moral uplift of people largely depends on the principles of Co-operation. Let us realize the great truth—the essence of Co-operation—that *"each shall work for all and all shall work for each."*

Insurance Companies and Bengal Zemindars

The following extract is from an article by Dr. S. C. Roy in the *Landholders' Journal* for September, 1933, where the author has advocated the formation of a Trust which may help the Bengal Zemindars in solving their financial problem to some extent.

I may say a few words how Insurance Companies can help in the formation of the Trust or how it can co-operate in solving the very difficult problems confronting the Bengal Zemindars.

In the first place, Insurance Companies, particularly Indian Insurance Companies, may usefully invest some money in shares of the Trust and thereby help in the formation of the Trust. Secondly, they can purchase substantial portion of the Debentures that may be issued hereafter by the Trust against the securities of the Zamindaries and under the guarantee of the Trust. And thirdly, the Trust can avail itself of the benefit of modern developments of Insurance and get all properties insured against the death of its owner. It should be noted that an endowment policy for the amount of the loan is an excellent collateral security which always persuades financiers to charge less interest. It may be noted that the Insurance policy

may be the only way of ever liquidating the debts of the party.

As we have said before, any Estate having an income of 3 lakhs a year and a liability of 25 lakhs at 12 p. c. will never be able to liquidate its debts because there is no margin to pay any portion of the principal amount.

But if the loan is at 5 or 6 p. c. and if a Life Policy is taken for the amount, it is sure that after 20 or 25 years the Estate will be free from encumbrances. Moreover, in case of death of the owner of the property, the property is released from mortgage automatically. Some arrangement is possible by which the premium on the policy and interest on the loan need not exceed 12 p. c. which is paid only as interest ordinarily. Moreover, if the margin is not fully covered, the policy can be taken up for, say, 50 p. c. of the amount of the loan thereby paying off half the loan within a certain number of years. This will create an income of 50 per cent of the originally amount as soon as the half of the principal sum is paid off.

I believe the scheme is workable and an effort on the lines suggested will be of real good to the cause of Bengal Zemindars.

Tobacco Cultivation in Great Britain— A Retrospect

We publish the following retrospective account of tobacco culture in Great Britain from *The Observer* :

The history of tobacco-growing in England is illuminating. Tobacco was first introduced in or about the year 1565 and within fifty years it was being planted in thirty-one different countries. England even started a considerable export trade with the East.

Then came the calamity of James I ; smoking became a vice. The final folly was perpetrated by the Government of 1660, which prohibited all or any tobacco cultivation in England, so that the American planters, whose imported tobacco was to be yet more heavily

taxed for revenue, might not be harmed by competition.

The Order was enforced (so far as possible) with the aid of cavalry : Life Guards sent to Gloucestershire in 1662 received the following instructions from King Charles II : "Whereas we have been informed that there are diverse persons in Winchcombe who take the liberty and boldness to set and sow Tobacco, you are to aid the Surveyor in plucking up all Tobacco sett or sowne."

But in the England of those times, comparatively lawless and lacking modern means of communication, prohibitions were not easily carried into effect. A pamphlet written twenty years later in 1682, notes that tobacco "is planted in great plenty in Gloucester, Devonshire, and in several gardens about Westminster and other parts of Middlesex." The King, however, ordered "every year a troop of horse to destroy it lest the trade of our American plantations should be incommoded thereby."

In the next century large plantations in Yorkshire were devastated, and planters were imprisoned and fined an aggregate sum of £30,000. It was not until 1745, or thereabouts, that the cultivation of tobacco in England was completely suppressed.

Rather more than a century later tobacco was tried again. Agriculture being in bad straits, special permission for experiments with tobacco was granted in 1886 and 1887. The trials proved so successful in both years that the licence was withdrawn lest the State lose its easily-collected revenue from the duties levied or imported tobacco.

Eventually, however, the veto was raised—in the year 1909—and tobacco may now be legally cultivated in England, provided that the grower pays an Excise Duty of 7s. 3½d. per lb.—that being 2s. 2½d. less than the Customs Duty levied on imported tobacco.

Tobacco, an intensive crop which employs much labour, requires rich ground well-dunged, with a sunny aspect. The seeds are sown in March under glass in beds where a temperature

of about 65 decrees can be maintained. Later, the small seedlings are moved into boxes, whence they are put out into the open fields during the first half of June.

Crops should be ready for harvesting somewhere between August 25 and September 15. Six hundred to eight hundred pounds per acre would be normal, but one thousand pounds is not very unusual.

It may be interesting to notice that twenty to forty square yards produce sufficient tobacco for the manufacture of 10,000 cigarettes. The curing of the loaf in sheds kept full of wood smoke takes four to six weeks, and then the tobacco is stripped and graded by women.

Both Virginian and Turkish tobaccos may be grown at home, but seed taken from

plants cultivated in England gave better results than seed imported from abroad. As tobacco seeds number about 300,000 to the ounce a small quantity will plant a large area.

One supporter of English tobacco cultivation has pointed out that if the Government remitted half the Excise Duty now levied it would actually benefit because the loss would be more than made good by the saving in unemployment pay which result. For tobacco cultivation is said to require three men to the acre.

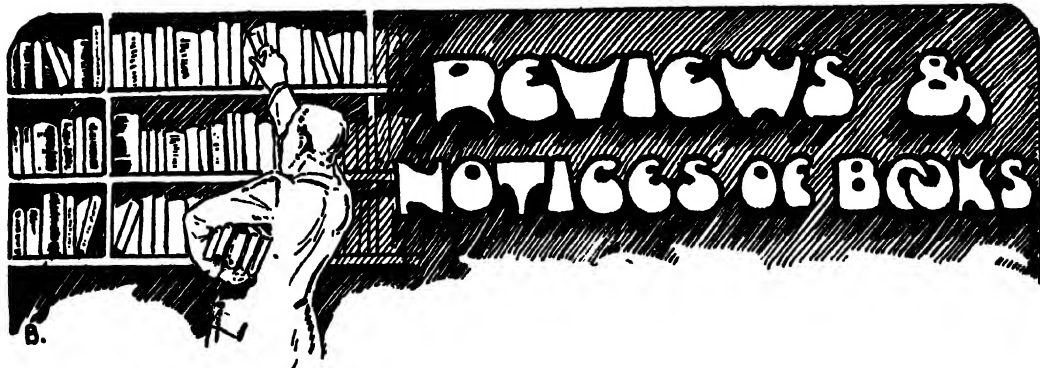
In any case, the prospects of tobacco planting in England deserve careful investigation, though optimists must remember that duties on imported tobacco now produce some £64,000,000 a year.

GROWTH OF LIFE ASSURANCE IN CANADA

Net Amounts in Force

End of	£
1875	17,001,853
1885	29,992,429
1895	63,851,516
1905	126,066,848
1910	171,222,612
1915	262,323,335
1920	535,005,099
1925	831,803,970
1930	1,298,457,239
1931	1,324,511,298
1932	1,294,317,691

(Converted throughout at 8 5 to £)



INDIAN CURRENCY AND RESERVE BANK PROBLEMS. *By Professor Benoy Kumar Sarkar, Calcutta University, Gast Professor an der Technischen Hochschule, Munich (1930-31); Director of Researches, Bangiya Dhana Vijnan Parishat, etc. Published by N. M. Roy Choudhury & Co. 11, College Square, Calcutta. Price Re. 1*

The publishers have to be congratulated on their bringing out this book at a very opportune moment, when the Reserve Bank Bill is already before the public and the Currency Controversy has raised its head over again. This monograph contains principally Prof. Sarkar's interpretations of these problems and the observations which he has made from time to time since the publication of the Hilton Young Commission's Report in 1926, and as such we find in the book a gradual development of the particular economic policy which Prof. Sarkar has been consistently advocating since that time upto the latest phases of our currency and banking problems.

In this monograph will be found the germ of the formation of a new school of economic thought in Bengal that approaches the economic problems of the day from an objective point of view without yielding to popular confusions or dictates of interested partisans in a controversy. If it is not rash for one of my information to do so, I may venture to point out that it was Professor Sarkar who first raised his voice against the Classical economists, so to say, of India, for example, the Bombay millowners, and those that had heavy holdings in the Imperial Bank of India in regard to the above matters. It was Professor Sarkar who vehemently protested against the plea of Sir Purshottamdas Thakurdas for converting the Imperial Bank of India into the proposed Reserve Bank in the year 1926. His defence of the 1s. 6d. ratio for the rupee in 1926 against a powerful band of supporters of the 16d. ratio shewed his conviction which he bears till today and which is inspiring Young Bengal to properly gauge the practical economic implications of the ratio problem at the present time.

It is not possible here to enter into the details of Prof. Sarkar's logic in regard to any of the issues discussed in the treatise, but we may unhesitatingly say that practical economists and businessmen who have anything to do with the Reserve Bank, the rupee-ratio and other allied problems would do well to look through the pages of this monograph.

The get-up of the book is excellent. It is also moderately priced.

THE SPHERE OF TEA: *By H. H. Ghosh, F. R. Eron. S. (Lond.) Published by the Industry Book Department, 22, R. G. Kar Road, Shambazar, Calcutta. Price Rs. 3.*

The author hardly requires any introduction to the public. He has been for a considerable time devoting himself to the analysis of economic problems of the country and his contributions to the economic literature is already very large. It is thus but natural that his analysis of one of the most important industries of India has shown in entirety the history, cultivation manufacture and trade of tea in India. Before the publication of Mr. Ghosh's treatise there was no up-to-date and reliable handbook for tea planters or distributors or students. Several pamphlets and bulletins were published by some business firms from time to time, but they lack that consistency and clarity which are essential for a proper understanding of either cultivation or trade of tea. We, therefore, congratulate the author on his publishing the monograph under review and thus removing a long-felt want of literature in regard to a leading industry of the world.

The book is divided into ten chapters dealing with the origin of tea, early culture, scientific cultivation, modern methods, manufacture, world statistics, world's tea market, etc. The book is amply illustrated and has a short index. It is written on a comprehensive plan and will be useful to students and businessmen alike.

This book, like most other "Industry" publications, has an excellent get-up.

M. MOULIK

COMPANY NOTES

Hindusthan Co-operative Insurance Society Ltd.

The quinquennial valuation of the liabilities under life policies of the Hindusthan Co-operative Insurance Society Ltd. as at 30th April, 1932, made by the Society's Consulting Actuary, Mr. Louis E. Clinton, F. I. A., has disclosed highly satisfactory results. In view of the fact that the valuation takes stock of the Society's operations during the period which was marked by an acute economic crisis and trade depression, the Society deserves to be congratulated on the splendid results it has achieved.

The rates of bonus which have been declared on the policies of the Society are claimed to be the highest yet declared by any Indian life office. The rates of bonus in respect of policies at the new premium rates on Endowment Assurance and Whole Life Assurance are Rs. 23 and Rs. 20 respectively per Rs. 1000 per year. The rates in respect of policies at the old premium rates are Rs. 21 and Rs. 15 respectively per Rs. 1000 per year. These rates will vest after completion of two years of assurance and the payment of two full years' premiums. A further improvement effected is that in the case of policies becoming claims by death or by maturity the *Interim Bonus* shall be at the same rates as now declared for each annual premium paid after 30th April, 1932. It will be noticed that the rates of bonus on Endowment Assurances are the highest, and as 85 per

cent of policy-holders come under this scheme, the profits will be widely distributed among them.

The valuation has been made on a very stringent basis. The Assurances of both the Ordinary and Combined Funds were valued by the O^M Table of British Offices Experience, with an addition of 8 years to the valuation of ages in all classes of policies, except Endowment Assurances where an addition of three years to the valuation of ages was made. The rates of interest assumed in the valuation were 4½ per cent for Ordinary Assurance Fund and 6 per cent for Combined Assurance Fund. The Combined Assurance Fund is in deficiency of Rs. 261, 271. The surplus in the case of the Ordinary Assurance Fund amounts to Rs. 18,97,040, of which Rs. 1,17,128 has been carried forward unappropriated and Rs. 17,79,912 is available for distribution at the rates mentioned above.

Regarding the investment of the Society's funds, the Actuary has made a stringent valuation of the assets on the basis of information supplied by the Directors, and he is satisfied that the "Society is fully able to meet its commitments to its policy-holders."

In respect of the expense ratio and mortality experience, the Actuary maintains: "If the Society can effect a further improvement in its mortality experience, and can reduce its expense ratio and the proportion of lapses its progress will be much the greater. I can only

hope that the obvious efforts which are being made to cope with the difficulties will meet with the success which they deserve."

The progress of the Society has been phenomenal during the past few years.

The progress of new business is shown here—

1920	Rs. 12,84,200
1925	Rs. 49,07,100
1930	Rs. 1,12,01,700
1932	Rs. 2,01,06,600

The average amount assured per policy which was Rs. 1,355 in 1922 increased to Rs. 1,616 in 1927, and increased still further to Rs. 1,678, in 1932. The Life Fund of the Society as at 30th April, 1932 stood at Rs. 1,18,59,833. The total premiums received increased from Rs. 49,55,168 in the quinquennial period ending in 1927 to Rs. 1,02,56,842 in the quinquennial period ending in 1932.

The achievements of the Hindusthan Co-operative Insurance Society Ltd. are too many to admit of enumeration in this short space. The Hindusthan is the pride of Bengal and is an eloquent testimony to Bengali business genius. The progress of the Society in recent years has taken place under the influence of Mr. Nalini Ranjan Sarker, the General Manager, supported by a band of responsible officers and energetic workers. The Hindusthan Co-operative has gained for itself a position of unimpeachable confidence. We congratulate the Society on the excellent results of its valuation.

The Andhra Insurance Company Ltd.

The seventh annual report with the Balance Sheet and Revenue account for the year 31-12-32 is lying with us for some times now. In the past we had had occasion to review its workings and we had nothing but

praise for its sound organisation and efficient management. We are glad to say that we find nothing in the present papers which might call for any change of opinion.

During 1932, 1286 proposals for the sum of Rs. 14,80,000 resulted into policies and the following figures will go to show the steady growth of its business from year to year :

Year	Policies issued	Amount
1930	892	Rs. 13,73,000
1931	1018	„ 14,38,000
1932	1286	„ 14,80,000

The following table will show the comparative progress of the Company under different heads :

Year	Premium income	Interest yield	Life fund	Expense ratio to total income
	Rs.	Rs.	Rs.	Rs.
1930	1,93,000	10,500	2,15,100	39 p. c.
1931	2,11,400	16,200	3,27,000	30.14 p. c.
1932	2,50,200	24,000	5,11,409	30.12 p. c.

It will be seen from the Balance Sheet of the Company that during the course of the last three years there has been substantial addition to the investments of the Company. To-day the investments show a progressive increase of 40 p. c. over the investments of 1931. There is one item in the Balance Sheet (III Schedule) which gives rise to considerable misgivings in our mind, we mean the Loans on Personal Security for Rs. 10,668-5-0. While on principle we are against such policy which, not unoften, has landed several companies in trouble, we are assured on the authority of the Directors that out of this amount, a sum of Rs. 5,000 represents the amount lent to Alamuru Co-operative Society which is "admitted to be one of the best managed institutions" of the Madras Presidency. We shall be glad if the Company keeps a close watch over such

investments which are looked upon with disfavour by our insuring public. The following figures will show the steady rise in the investment of the Company :

Year	Rs.
1930	2,88,000
1931	4,25,000
1932	5,98,000

The Company seems to have an excellent record in its claim settlement policy. From the Balance Sheet it would appear that there is an amount of Rs. 15,500 awaiting payment by 31-12-1932. Since that date there are only 4 claims outstanding for an amount of Rs. 5,000. The following table will show the total number of claims received since the inception of the Company and those arising in 1932 separately.

	Total No. of claims	Amounts of claims	No. of claims settled	Amount	Out standing
		Rs.		Rs.	Rs.
1926 to 1931	34	51,000	32	48,000	3,000
1932	14	21,143	14	19,143	2,000
	50	72,143	46	67,143	5,990

One feature of the Balance Sheet of the Company is very striking indeed and it shows the forward policy of investment followed by the Company. It seems from the investment record of the Company that it invests a large amount of its money in Land Mortgage Banks. It is evident from the report that the interest earned out of this amount is yielding a fairly high rate of interest which has justified the wisdom of such a forward policy. We should think that the Andhra Insurance is one of the very few companies which can claim to have set up a very bold record in its investments and our warmest congratulation to the management upon the very satisfactory result so far achieved.

The Andhra Insurance is represented in the Eastern Divisions by Messrs. Roy & Co., who are doing very well for their Company in this area. We hope as days pass on the Andhra Insurance will grow ever more popular by the solid service of its workers of whom Messrs. Roy & Co. form a distinguished company.



NOTES AND GLEANINGS OF THE MONTH

Late Vithalbhai J. Patel

Mr. V. J. Patel is no more. He passed away quietly at Geneva after a protracted illness, and the expression of a sincere wish for the early realisation of India's independence was the last words on his lips. He was a gallant warrior for the cause of his country, and a patriot of the first rank. He knew no compromise in his political career which was at every step marked with success. He created a tradition and dignity of the presidential chair of the Legislative Assembly hitherto unknown in its history. Under his apparently forbidding exterior he had a very warm heart. He was a great friend of the *haryans*, and at a time devoted much of his energies to the betterment of their moral and material condition. His loss will be greatly felt at this present juncture when the country will be called upon to pull up its resources and strength in order to present a united front to the inauguration of the new constitution. Referring to his death, Sja. Sarojini Naidu rightly said, "By Mr. Vithalbhai Patel's death, India is indeed bereaved of a patriot implacable in his splendid passion for her freedom, a warrior intrepid and unsurpassed in the battle for her honour and independence who passed away with his sword still unsheathed in his dying hand." We offer our respectful homage to the honoured memory of the departed soul.

November 11 and World Peace

On November 11, the Armistice was celebrated with conspicuous solemnity all the world over. The Armistice serves a two-fold purpose ; in the first place, it provides an occasion for paying homage to the memory of heroes who were killed in action ; and in the second place, it serves to remind the national states of the world of the worthlessness of war and the value of peace. The Armistice as such is a commendable institution. But when we proceed to analyse the intentions of the nation-states in regard to international relations, does not the institution seem to be a mockery ? In spite of all protestations in favour of disarmament and world peace, the armament industry is thriving in every country. Jealousy and suspicion of one another's purpose are lurking in the minds of States. This was clearly pointed out by Mr. Lloyd George the other day in the House of Commons. France had increased her guns by 50 per cent. France, in 1914, had destroyers with a tonnage of 35,000. She now has a total tonnage of 198,000. The United States in 1914 had a tonnage of 48,000 and now has a tonnage of 259,000. Great Britain has also considerably increased her armament budget. Although Germany is forbidden by the treaty of Versailles to manufacture certain kinds of arms which are essential for a modern warfare, she might not be altogether sitting idle merely watching

the race of armament manufacture. Italy is fast developing into a first rate military power. In view of such developments, disarmament seems to be a colossal hoax, and world peace a fantastic dream. One simply wonders how many more armistices are yet to be celebrated before the next war!

Cohen Committee's Recommendations

In our previous issue, we commented upon the work and findings of the Industrial Assurance Committee presided over by Sir Benjamin Cohen, K. C., which was appointed to examine into and report on the law and practice of industrial assurance and assurances on the lives of children under ten years of age obtaining in England. Quite a bulky literature has been published in the press since the publication of the Cohen Report either in criticism or in support of their findings and comments. We summarise below the principal recommendations of the Cohen Committee as embodied in their report:—

(1) All existing statutory provisions to be dealt with comprehensively in one statute.

(2) Only parents, step-parents, and persons *in loco parentis* should be allowed to assure for their own benefit the life of a child under 14 years of age.

(3) Such assurance should only be effected with a registered friendly society or branch registered trade union, or industrial assurance company.

(4) No child under 14 to be capable of entering into contract of assurance which includes a death benefit save through parents, who may act for and on behalf of the child.

(5) Premium not to exceed 1d. on a

child under 10, but in calculating this premium no account is to be taken of (a) the cost of incidental benefit payable on the death of a member's child by a registered friendly society or branch or a registered trade union for which no separate contribution is paid; (b) premiums in respect of endowments where provision is made for return of premiums in the event of death under age 10; and (c) contributions in respect of confined mourning benefit for members of the Jewish persuasion.

(6) Sums assured and amounts payable at death under 10 should be aggregated and not exceed the existing limits specified in the 1923 Act. In calculating these limits, repayment of premiums in the case of endowments, and for persons of the Jewish persuasion assurances for confined mourning benefit are to be excluded.

(7) No policy to be void on the ground that the sum assured by it, when added to that assured by any earlier assurance, exceeds the permitted limit, if the earlier assurance is incidental to the parent's membership of a registered trade union or registered friendly society. This to apply to all policies in force at the date of the passing of the amending legislation.

(8) Provision is made in this recommendation for the free transfer of a policy effected by a parent on a child's life for his own benefit, at any time after the child has attained the age of 14. Such transfer to be by endorsement of policy and notice in writing to the society or company concerned.

(9) It is to be an offence for any body of persons, or officer or agent of such persons to be concerned in effecting an assurance on the life of a child under 14 years, unless they are duly registered.

(10) To prevent over-payment the re-enactment of the existing statutory provisions concerning special death certificates with new statutory provisions is recommended, authorising such certificates to be issued only in respect of assurances effected with registered friendly societies or branches, registered trade unions and industrial assurance companies.

(11) Further, it is to be made an offence for any of these authorised bodies to effect assurances otherwise than in accordance with statute : all proposals for children's assurances to contain questions as to whether the proposer or any other person to the knowledge of the proposer holds any other assurances on the life, and if so for what amounts and premiums, and the relationship of the proposer to the child to be assured ; all premium books to contain a statement of the effect of the relevant provisions of the Act approved by the Commissioner.

(12) Registered friendly societies, registered branches of such societies and registered trade unions should be placed under the liability of having to return a sum equal to the amount of the premiums paid on all assurances on the lives of children under 14 years of age which are illegal or *ultra vires* unless owing to any wilful misstatement on the part of the proposer the society or trade union did not know the assurance was illegal or *ultra vires*.

(13) A section is recommended to except from the statute assurances where the person assuring has an insurable interest in the life of the child.

(14) Assurances in collecting societies and industrial assurance companies, effected by parents for their own benefit on the lives of their children to be excepted from the

provision requiring the signed consent of the person to be assured before a policy is issued.

Cotton Production and Trade in Comparative Statistics

In the production of raw cotton India closely follows the United States. The average annual production of raw cotton in India during the past 20 or 30 years has been 4,1500,00 bales, of which 30 to 60 per cent. or an average of 45 per cent. has been consumed within India and the balance exported. Of the total exports, Japan has been consuming from 30 to 50 per cent, since the beginning of the Taisho Era (1912) and is one of the most valuable customers of India. The following statement shows India's productions of raw cotton and exports to Japan :

	Production in India	Exported to Japan	
Year.	(In 1,000 bales)	(In Y. 1,000).	
1920	3,250	1,398	357,581
1921	3,668	1,468	181,707
1922	4,240	1,618	209,897
1923	4,282	1,715	263,027
1924	4,736	1,512	310,913
1925	4,578	2,051	175,632
1926	4,002	1,955	327,520
1927	4,489	1,661	202,281
1928	4,719	1,531	232,266
1929	4,978	1,713	231,108
1930	4,584	1,575	147,688
1931	3,334	1,602	113,262
1932*	4,000	913	91,716

The following statement shows India's production of cotton cloth and her imports from Britain and Japan :

Estimate.

(In million yards.)

Year	Cotton Cloth Production in India	Total Cotton Cloth Import	From England of total	From Japan of total
1912	1,164	3,197	3,104	9
1914	1,136	2,416	2,378	16
1915	1,442	2,184	2,049	36
1916	1,578	1,934	1,786	100
1917	1,611	1,556	1,430	95
1918	1,451	1,122	867	238
1919	1,610	1,081	976	75
1920	1,581	1,510	1,292	170
1921	1,732	1,090	955	90
1922	1,725	1,593	1,153	108
1923	1,702	1,486	1,319	123
1924	1,701	1,823	1,611	155
1925	1,954	1,561	1,287	217
1926	2,258	1,788	1,467	244
1927	2,357	1,973	1,543	323
1928	1,893	1,937	1,456	357
1929	2,419	1,919	1,248	562
1930	2,501	890	533	321
1931	2,990	776	384	340
1932	†	1,200	587	578

The following statement shows Japan's exports of cotton yarns and cotton cloths to India :

(In Yen.)

Year.	Total Exports to India.	Exports of Yarns.	Cloths.	Total.
1927	167,580,191	20,040,134	86,126,986	106,167,117
1928	116,000,633	9,981,071	70,185,408	79,366,479
1929	198,056,969	13,449,318	109,138,997	122,587,315
1930	129,263,375	6,575,986	61,216,254	67,802,240
1931	110,367,354	5,592,134	49,866,019	55,433,253
1932	192,191,878	14,343,099	89,653,510	91,996,639

The advance of Japanese cotton yarn and cloth in the Indian markets has been remarkable. To cope with the situation, the Government of India, some time ago, increased the import tariff on Japanese cotton yarns. Similar measures were also adopted to deal with Japanese cotton cloth, which began to supplant the replaced yarns in India. The Government of India, on August 31 of last year, placed a tariff of 50 per cent. on imports of Japanese textile products which was finally raised to 75 per cent. in June this year.

† Under Investigation.

The Aryasthan Insurance Company Ltd.

We welcome the flotation of the Aryasthan Insurance Co. Ltd. at Calcutta under very distinguished auspices. The Board of Directors of this newly formed Company includes celebrated personages like Mr. Santosh Kumar Basu, Mayor of Calcutta, Sir P. C. Roy, Mr. S. N. Mullick, Rai Bahadur N. N. Banerjee, Miss Jyotirmoyee Ganguly and Rai Bahadur A. C. Banerjee, who would undoubtedly inspire the confidence of the public in this new institution. We understand, the full amount of the required government security has already been deposited with the Government by the Company.



Mr. S. C. Ray

We heartily congratulate our esteemed friend, Mr. S. C. Ray, M.A., B.L., F.R. Econ. S., on his being appointed General Secretary of the Company, which he is to join from December 1, next. No better selection could be made for this post. Mr. Ray is already too well known in insurance circles to require an introduction. He has an extra-ordinary power of organisation and has been responsible for the foundation of more than one beneficial institution in this city. He has

travelled widely over Europe and has seen the insurance business of those countries in actual operation. He has also been editing *Insurance World* with considerable care and efficiency during the last three years.

He worked with conspicuous ability in the Hindusthan Co-operative Insurance Society Ltd. for a number of years.

With these assets the Company bids fair to be one of the foremost life offices in the country.

Bangiya Dhana Vijnan Parishat

It is now five years since the Bangiya Dhana Vijnan Parishat (Bengali Institute of Economics) was established in Calcutta under the aegis of the late Major B. D. Basu, I.M.S., I.C.S., Dr. Sir Brajendra Nath Seal, Prof. Benoy Kumar Sarkar, Dr. Narendra Nath Law, Prof. Banesvar Dass and others. The Institute has published a souvenir on the occasion of the completion of its five years of active work in the field of economic research. In this booklet a short history and scope of the Institute have been stated in brief, and a summarized account of the activities of the Institute is also included. The association of the Institute with the various learned societies, universities, journalistic organizations, banks and chambers of commerce all the world over is also enumerated in the souvenir.

On the same occasion, a very lively and gayesome function took place at 45, Police Hospital Road, Calcutta, when Mrs. Ida Sarkar was "At Home" to the Directors and Research Fellows of the Institute. Mr. S. K. Banerjee read an illuminating paper on the "Economics of Lac Industry in India." Among those present were: Prof. Benoy Kumar Sarkar, Prof. Banesvar Dass, Dr. S. C.

Roy, Aviator Biren Roy, Sjs. Monindra Mohan Moulik, Sudhis Ranjan Biswas, Haridas Palit, Rabindra Nath Ghosh, Bijoy Krishna Saha, and Nibaran Chandra Chatterjee.

Mr. Banerjee held that lac was extensively used in numerous crafts and small industries in Bengal and by the proper utilization of the product in industrial purposes enriched many a small trader. He gave a history of the cultivation and processes of production of lac, and enumerated the different uses of the different varieties of the commodity. He employed copious statistics regarding the lac trade and regretted that although the centre of lac exports is Calcutta, Bengalees were out of the export trade altogether. The speaker appealed to the enthusiastic Bengalee *entrepreneurs* to hasten to the rescue of this trade.

Almost all the gentlemen present took part in the debate that followed. Prof. Banesvar Dass discussed the economic importance of substitutes of lac which are now being produced on a large scale in America, Germany and other scientifically advanced countries, and the demand for Indian lac has been thus reduced to the extent of the quantity of synthetic lac that is employed in their manufactures. Prof. Dass described how he himself prepared synthetic lac while he worked in the famous Edison factories in America for the manufacture of gramophone records.

Mr. M. Moulik pointed out that the fluctuation in the price of lac was mainly due to an unsystematic and uncontrolled process of production which does not take into account the consideration of demand, and suggested that the Indian Lac Association at Namkum (Ranchi) should publish a

forecast every year regarding total lac production and regulate the same, if possible, according to conditions of demand.

Prof. Benoy Sarkar, Director of Researches, in summing up the debate said that although the value of lac exports has fallen in recent years to some extent due to the economic depression, the present figure was still higher than the pre-war figure. Although U. S. A. and Germany had reduced their consumption of Indian lac, Japan has increased it largely. Prof. Sarkar pointed out that there was no cause for despair so far as this industry was concerned and held out very bright prospects for the future. He urged that Bengal should henceforward take as much interest in this trade as she has been doing in regard to jute, coal and cotton.

With a vote of thanks to Mrs. Sarkar the meeting came to a close.

Unemployment Act Amendments

The Unemployment Bill, which received its first reading in the House of Commons yesterday, provides for far-reaching reforms in the Unemployment Insurance Scheme.

It takes out of the hands of the local public assistance authorities all unemployed men who are now subject to the means test for transitional payment and poor relief. These unemployed people are to come under a new central authority called the Unemployment Assistance Board, comprising five members. The Board will have its own officials throughout the country working under prescribed regulations and the Board, further, will have charge of unemployment relief and the training of assured workers who drop out of insurance benefit and also of 4,000,000 uninsured workers. It will be responsible

for relieving all need, other than medical in each applicant's household, taking into account the available resources. The Board may provide courses of training to enable persons to regain physical fitness. The local public assistance authorities will retain their powers to assist the sick, the aged and the infirm.

The Bill also provides for extending the period of benefit under the Unemployment Insurance Scheme from 26 to 52 weeks. It provides for the entrance into insurance of juveniles immediately after leaving schools at 14 years of age, with benefit payable after 16. It compels workless juveniles under 18 to attend instruction courses, which are to be widely extended and empowers the Minister of Labour to give benefit, conditional on the attendance of those over 18 at the training courses.

A Statutory Committee is to be set up to recommend any changes necessary to keep the Unemployment Insurance Scheme solvent and self-supporting. It will also draw up a scheme for the insurance of agricultural workers.

Income-Tax Inequity

The Associated Chambers of Commerce have addressed the Secretary, Central Board of Revenue, in regard to the hardship suffered by a member of a recognized Provident Fund under the Income-Tax (Provident Funds Relief) Act, 1929, who does not receive the full amount of his employer's contribution and may in effect have paid tax on sums which he does not thus receive by reason of the provision for the inclusion of the annual accretion, in his taxable income.

"It is understood by the Chambers" states the letter, "that this hardship is well

known to the Government of India who while admitting the necessity for legislation to rectify matters, have nevertheless expressed their unwillingness to amend this complicated Act after such a short experience of its working. This being so, other ways and means must be found to remove the hardship which admittedly exists."

As the Government of India are not prepared to amend the Act to meet the position, the Chambers commend to the early and favourable consideration of the Central Board of Revenue the desirability of adopting a simple rule to provide that, at the time of payment to a member of the amount due to him from a recognized Provident Fund, an allowance or refund should be made to such member of any excess tax he has had to pay by reason of the fact that he has not drawn the full contribution of the employer.

"This rule," it is suggested, "might be made under Chapter IXA of the Act but in the event of it being found that the Board does not have the power to make the suggested rule under any of the sections of Chapter IXA, the Governor-General in Council clearly has the power to make the necessary modification under section 60 (1) of the Act.

German Rationalization Scheme

According to a *Reuter* message, a huge scheme aiming at the rationalization of the German coal and steel interests is under consideration by four of the greatest concerns. The companies affected are the Vereinigte Stahlwerke, whose share capital is £38,750,000, the Phoenix Mining, with a share capital of £8,500,000 and the Vanderzypen and Wissen Svelting with a share capital of £810,000.

The capital of the group will be reduced considerably under the scheme, which will be carried out by an exchange of shares and be approximately £40,000,000. A reduction of costs and the segregation of interlocking units are aimed at.

Twelve independent working subsidiaries will be created, which will confine themselves to their own specialities.

The shareholders meet at Essen on November 29, to confirm the scheme.

Exchange Student from Germany

Herr Georg Keller, a German student of architecture, has come to India as Germany's first exchange student by arrangement with the Technological Institute of Munich. Herr Keller has been attached to the Dacca University in the department of Sanskrit Language and Indology and will stay with Professor and Mrs. Satyendra Nath Roy as an honoured guest in their family for the period.

After completing at Bayreuth in Bavaria his secondary school final which corresponds roughly to the B.A. and B.Sc. standard of Indian Universities, Herr G. Keller joined the Technische Hochschule (Technological University) of Munich for studies in architecture at which he has already spent four years. At the same time he took a course in Sanskrit with Prof. Oertel at the University.

Herr Keller intends to pick up some knowledge of Indian architecture also before he goes back to Munich for the final Diploma examination at the Technological University. He is about twenty-three years old.

Chartered Insurance Institute

An increasing number of Indian students are qualifying themselves every year for the degrees and diplomas of the Chartered

Insurance Institute of London. Mr. H. J. Greening, President of the Institute, has taken an appreciative note of the success of Indian students in the C. I. I. examinations in a letter to us dated Birmingham, September 28, 1933. The following is an extract of the relevant portion of his letter :-

"It is pleasing to note the increase in successful candidates in the Chartered Insurance Institute Examinations in India at the recent examinations. As you are aware, one of the chief objects of the Institute is to stimulate education and to promote efficiency amongst persons employed in insurance business so as to justify the confidence of the public in the competence and trustworthiness of persons engaged in the business."

Hitler Regime and German Insurance

One of the first branches in Germany to profit from the Hitler regime is apparently the national association which includes the underwriters of "riot insurance." This organization recently reduced premiums fully fifty per cent. on the ground that since the ascendancy of the Nazis late in January conditions have become invariably safer; as riots have decreased, so have the corresponding damage claims, hence the reduction.

The Fascists must also be credited with the innovation, in Germany at least, of a "Film-Insurance-Pool," seventy-five per cent. of which will come from German Companies, while foreign organizations, duly accredited in the Fatherland, will account for the balance. This, apparently, aims at the British underwriters who are now excluded from this field, at least as far as direct participation is concerned.

No More Eggs from India?

The Ceylon Poultry Club has, according to a press report, made a further representation to the Financial Secretary on the question of the prohibition of the importation of eggs from India. The bulk of Ceylon's egg importations is from India. If the representations are accepted, the Financial Secretary will probably introduce a motion in the State Council for adding eggs to the table of prohibitions and restrictions under a relevant ordinance.

Indian Mercantile Insurance Co., Ltd.

The office of Messrs. Sen Roy & Co., Chief Agents of the Indian Mercantile Insurance Co., Ltd., has been shifted to 44-1 Bowbazar Street, Calcutta. All communications should henceforward be sent to the new address.

Insurance Bill-Board Posters Dot Chicago

From fifty to seventy-five bill-boards located on Chicago's busy thorough-fares carry to millions of fair-bound visitors and natives, the message "Face the future unafraid with life insurance." Situated at strategic points along the boulevards and highways leading to a Century of Progress Exposition, the bill-boards, financed by Chicago life insurance companies, general agents and managers and sponsored by the Chicago Association of Life Underwriters, fulfil a two-fold purpose, first as a complimentary greeting to the National Association of Life Underwriters which will hold its convention in Chicago the latter part of the month, and second, to stimulate interest among Chicagoans and out-of-town visitors in life insurance.

Largest Group Contract for Hotel Employees

1140 employees of the Hotel New Yorker are protected by group insurance with a total

volume of \$2,500,000 under an arrangement with the Equitable Life Assurance Society of the United States recently effected. This contract is said to be the largest of its kind with any American hotel.

Field Workers' Association

Mr. K. K. Banerjee, Joint-Secretary of the Indian Insurance Companies Field Workers' Association, has issued a circular in which he states that the Constitution and Rules of the Association have been drawn up, and the enrolment of members is taking place. It will be recalled that this Association was formed in April last by a resolution adopted at the Indian Insurance Companies' Agents' Conference held in Calcutta. While congratulating the Executives of the Association on their arriving at an agreement regarding the constitution and rules, we do hope that the useful activities of the Association will be carried on at a quicker pace than had been the case with regard to the preliminaries.

All communications to the Association should be addressed to the care of Bombay Mutual Life Office, 100, Clive Street Calcutta.

Dacca Journalists' Association

We congratulate our friends of the journalistic profession at Dacca on their forming a Journalists' Association under the patronage of Mr. Arthur Hughes, Additional District Magistrate of Dacca, who, in opening the Association cast a fling on the members of the profession as being recruited from the unemployed ranks of the community who stood in need of control. Mr. Hughes said, "By organizing themselves they could represent their point of view to the authorities when necessary, and at the same time the authorities could, through their responsible members, exercise control over them." We do not know

whether Mr. Hughes was invited to remind the journalists of Dacca of their necessity of offering themselves for the control of the authorities, but it seems certain that they have been paid back in their own coin when Mr. Hughes referred to them as belonging to a rather irresponsible brotherhood. Highest compliments have been, however, paid to Mr. Nalini Kishore Guha, Editor of *Sonar Bangla*, who was asked by Mr. Hughes to convene a meeting to draw up the constitution and elect the office bearers of the Association.

Insurance Offices Observe Holiday

As a mark of respect to the revered memory of late Mr. V. J. Patel, most of the Indian life offices observed holidays at Calcutta, among which may be mentioned, Hindusthan Cooperative, New India, Empire, Bombay Mutual, United Assurance, Crescent, Star of India, United Rengal, South Indian, India Equitable, etc.

Obituary

The death is announced at Montreux, France, of Fraulein Margareta Frenzl, general secretary of the International Marine Insurance Union. The sad event creates a gap in the personnel of marine insurance politics, which will be extremely difficult to fill. Still a young woman, Fraulein Frenzl had brought the organisation which she served to a very high place in the world marine insurance market. A linguist of exceptional ability, having the technical and practical sides of marine insurance business at her finger tips, she was an organiser of extraordinary powers. In addition to her secretarial duties she edited the three monthly publications of the Union, of which *The Marine Underwriter* is the English version. The climax of her year's work was the annual conference of the

International Marine Insurance Union, and it was shortly after arriving at Montreux for this year's meeting that she was taken ill with a serious heart attack from which she never recovered.

* * * *

We regret to note the death of Mr. F. M. Garnett, Calcutta Manager of the Royal Insurance Company of London. Mr. Garnett was an able officer, a kind master and a big business producer. He was a sportsman of outstanding merit. He was Secretary for a long time to the Calcutta Cricket Club and a renowned cricketer. His death is a great loss to Indian Insurance. We offer our heartfelt condolence to the members of the bereaved family.

Comilla Banking Corporation Opens Branch in Calcutta

The Calcutta Branch of the Comilla Banking Corporation was opened by S. J. Nalini Ranjan Sarkar on the 20th November last, at 12-2 Clive Row. This Bank was established at Comilla in the year 1914 and had a modest start. The Bank has, at present a capital of Rs. 15,00,000, and the reserve fund amounts to Rs. 1,75,000. The Bank owes much of its present position of prosperity and soundness to the untiring energy and vigilance of its Managing Director, Mr. N. N. Dutta, who is a reputed businessman in the country. The Bank has branches also at Dacca and Narayanganj.

We congratulate Mr. B. C. Ghosh, B. Com., B.Sc. Econ (Lond.), on his being appointed Agent of the Calcutta Branch. We wish this Bengali enterprise a career of ever increasing prosperity.

Among those present at the ceremony were : Rai Bahadur Badridas Goenka, Messrs. N. L. Puri, A. L. Ojha, Dr. N. N. Law, Prof. Benoy Sarkar, Capt. N. N. Dutt, Messrs. J. C. Gupta, G. L. Mehta, etc.

Metropolitan Field-Workers' Association

The Office of the Metropolitan Insurance Field Workers' Association has been removed from 28, Pollock Street to 67, College Street (Top flat), Calcutta from November 1, 1933.

Coming Events

It is understood that Mr. H. K. Sarker, M. A., Ex-M. L. C., late of New India and Metropolitan, and at present Branch Secretary at Calcutta of the Tropical Insurance Company Ltd. has been appointed Manager of the New Asiatic Insurance Co., Ltd., which has been recently incorporated in Delhi. This new Company is, in the main, an organisation of Messrs. Birla Brothers Ltd.

* * * *

A new financial monthly of the name of *Financial Times* will be published in Calcutta from January next.

Personalia

Professor Benoy Kumar Sarkar of the Calcutta University has been elected Chairman of the Board of Directors of the East India Cotton Mills Ltd. Calcutta.

* * * *

The Committee of the Indian Chamber of Commerce, Calcutta, have nominated Mr. S. B. Sen, Secretary, Bengal Chemical and Pharmaceutical Works Ltd., Calcutta, as their representative on the Eastern Bengal Railway Local Advisory Committee.

* * * *

Mr. S. N. Das, late of Bengal Insurance and Real Property Co., Ltd., has joined the India Equitable Insurance Co., Ltd. at Calcutta in the capacity of an Assistant Secretary.

* * * *

Mr. A. N. Roy Choudhury, B. A., Bombay Representative of the *Insurance and Finance Review*, has stood first at the Davar's College A. C. C. I. Test Examination (Part I) held in October.

* * * *

Mr. G. W. Vaswani, B. Com., has resigned from the Tropical Insurance Company, and has joined the U. P. section of the Zenith Life Assurance Company Ltd., as Branch Manager with head-quarters at Delhi, with effect from October 9, last.

* * * *

Mr. P. R. Gupta, M. A., has joined the India Equitable Insurance Co., Ltd. at its head-office in Calcutta.

* * * *

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Editor—MONINDRAMOHON MOULIK

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Editorial

The Failure of the Currency League in Bengal

Those who have watched the progress of the rupee-ratio controversy both inside and outside of the Legislative Assembly, from Bombay on the west to Bengal on the east, must have been bewildered by the diversity of opinions in regard to the devaluation move for the rupee, that have poured in overwhelmingly during the last few weeks. A great impetus to the controversy was offered by the Currency League of Bombay who advocate the immediate devaluation of the rupee. Some of the members of this all-important League have evinced great anxiety for the poor lot of cultivators who are, according to them, doomed without a rise in the prices of agricultural commodities. Others have visualised the plight of indigenous industries that are suffering from a contraction of exports, and have bewailed pitifully over

the dwindling income of industrial labourers as a necessary outcome of the overvalued rupee. The protagonists of devaluation were able to set up an organisation of their own in the Legislative Assembly and sought to defeat the Reserve Bank Bill in the Select Committee in regard to that particular item which referred to the obligation of the Reserve Bank to buy and sell sterling at the upper and lower points corresponding to the par of exchange at 1s. 6d. sterling. Much mischief is alleged to have been done to such a scheme of the Currency League by the statements and interviews of Sir P. C. Ray and Professor Benoy Kumar Sarkar who favoured the existing ratio to be in the best interests of Bengal. The victory of Sir George Schuster by two votes in the matter of the ratio is ascribed to the support of two Bengali members who found wisdom in Sir P. C.'s and Prof. Sarkar's

point of view. Not until this catastrophe had visited the Currency League that they proceeded to assess the seriousness of the situation and realised their folly in dismissing responsible opinion in Bengal from their consideration. They can no longer remain comfortable with the thought that all was well in the Kingdom of Denmark, and the occasion demands a revision of the opinions of the Currency League. That Sir P. C. Ray or Prof. Benoy Kumar Sarkar or the *Ananda Bazar Patrika* cannot be dismissed as solitary exceptions has been categorically admitted by the most piquant mouthpiece of the Currency League in Calcutta, in one of its recent issues. Eavesdropper writes in the *Indian Finance*: "It is, therefore, obvious that whether Sir P. C. Ray and other eighteen-penceers represent the opinion of the many or of the few, they have dealt a crushing blow, at the crucial moment, to the movement advocating a depreciated rupee." This is the tragedy which brought Mr. Mathradas Vissanji and Mr. A. D. Shroff, the President and Secretary respectively of the Currency League down to Calcutta for removing the alleged misgivings that existed in Bengal. They had regretted that they had been rather late in the field. But we have many more regrets than merely of delay. We wonder why Messrs. Vissanji and Shroff undertook the trouble of coming all the way down to Calcutta for securing a few signatories to their creed whose opinion, while serving as an eyewash to Western India

publicists, does not unfortunately count in the least with the financial circles in Bengal. Those signatures could be secured easily by the representatives of the Currency League in Calcutta even in the absence of the Currency League chiefs. They would undoubtedly congratulate themselves on what they have achieved in Calcutta, but they ought to be prepared for another surprise, if not shock, if they have left with the impression that Bengal favours the devaluation movement. Their self-confidence in all probability will prove puerile, and their disillusionment will serve as their eye-opener.

We are glad that the Bengali intelligentsia has been emancipated from the tyranny of Bombay domination. Bengal has now produced a number of persons, groups, and journals which have been in a position to discuss the currency problems on an independent footing. We remember how tragic the situation was during the controversy of 1925—27 when Bengalees felt utterly helpless in the atmosphere created by the alleged currency experts of Bombay. It was during this period that India for the first time heard the voice of Bengal in quite an emphatic manner in the scientific clear-cut and pithy statements of Prof. Benoy Kumar Sarkar who made the position absolutely clear before the country. To mention a few journals, the *Indian Economist*, the reputed Calcutta financial weekly, the *Ananda Bazar Patrika*, the most influential vernacular daily, and to some extent *Advance*, have considerably advanced

the Bengali point of view. Bengal has taken upon herself the task of reiterating her conviction in the fact that economics is first national and then international.

Economic Surveys

It betrays ignorance and naiveness on the part of the Bengali and other Indian publicists and Chambers of Commerce who in such a puerile manner congratulate themselves on the statements made by the Government of India and the Government of Bengal on a scheme of "economic planning" or "economic survey" for India and for Bengal. Instead of jumping into details of the scheme we like to draw the attention of the public to the fundamentals of any scheme of economic recovery. "Economic Planning" or "Economic Recovery" is none too elementary a thing. It implies, in the first place, crores of rupees such as might be invested by the Government in India's agriculture, industry and commerce. Economic planning and economic enquiry are two directly contrasted phenomena. The former attempts to revolutionize the economic condition of the country by investing large sums of money in national industries and agriculture. The latter implies merely the compilation of statistical data bearing on the economic life of the country with a view to formulating schemes for economic regeneration. The solution of our economic problems lies within the scope of the former proposition and not the latter. We have always advocated

in these columns the formulation of a planning for Bengal, and a thorough scheme prepared by Prof. Benoy Kumar Sarkar was published in our issue of March last. In regard to economic planning with reference to Bengal, Prof. Sarkar says, on page 36 of *The Insurance and Finance Review*, Vol IV ;

Now that "economic planning," "planned economy" and allied categories happen to be popular, it may perhaps be worth while to invite attention to some of the most fundamental considerations that must underlie every project of economic statesmanship for Bengal or other parts of India. It is desirable to be clear at the outset that simply because we have learnt to glibly talk of a bunch of new words and phrases *à la mode genevoise* we have not thereby acquired the power to create new capital, raise the purchasing power or standard of living and efficiency of our peoples, and invent or command new machines.

Capital, purchasing power and machineries cannot evidently be brought into being or developed exclusively or chiefly on the strength of statistical enquiries, essays on the economic resources of India, or reports about the jute, cotton, coal or iron markets, no matter how well-documented and internationally oriented these publications be. Economic surveys need not, however, be disparaged. Rather, reliable facts and figures collected regularly from week to week will always have their place in every organized attempt at economic reconstruction on a large scale. *But the most vital problem of economic planning for India as of the Gosplan in*

Russia is essentially one of technology and finance or of finance and technology. And finance and technology will have to operate in the Indian sphere as they have been in the Russian sub-continent subject to the conditions of the "Second Industrial Revolution" and world-economy. (Italics ours.)

Now, the two propositions, one emanating from Delhi and the other from the Government of Bengal, must not be made too much of. The former one indicates that another central department is being added to the already existing departments of economic administration and intelligence and the latter indicates that another provincial institution is to be created to supplement the intelligence and statistical staff operating in Bengal. We cannot appreciate these institutions as more than anything but the addition of a wing to, say, the Commercial Intelligence Department of Delhi or Calcutta. The Governments in India have long been equipped, let us say, somewhat well, in regard to the statistical enquiry branches of administration. But unfortunately something was still lacking in order that the most important post-war economic developments might be more intensively investigated. Practically every State in Europe and America has expanded the intelligence staff on the economic and statistical side. We are satisfied that our Governments have also decided to do so. But all these do not imply that certain industries are to be subsidized or agricultural loans are

to be rendered available or that exports are to be encouraged by credit guarantees under the auspices of the State. In every country of the world, Planning or Recovery has been associated with such dynamic intervention of the State in the business enterprises of the people. In order to do that the Government in India will have to organise their departments which will certainly have to utilize the information and statistical data furnished by the two new institutions, but which by no means can be identical with them or even their adjuncts.

We would not enter into the details of the scheme even here which have been rendered available to our readers by the daily press. It appears that the terroristic activities in the country have awakened the Government to the responsibility of relieving the burden of unemployment from the shoulders of young men, some of whom take to terrorism as the last resort. Any step whatever small adopted for the relief of unemployment in the country is exceedingly welcome. But it is extremely doubtful whether the provision of an amount of Rs. 15,000 for the economic survey of Bengal will touch even the mere fringes of the problem. The problem is essentially one of national finance. Bengali capital, or government subsidy alone cannot change overnight the economic face of Bengal. It is a question of financial co-operation and technological application. We conclude our observations with a relevant passage from Prof. Benoy Kumar

Sarkar's article on "Economic Planning for Bengal," published in *The Insurance and Finance Review* for March, 1933 :

The record of Bengali finance is encouraging so far as it goes, and we may depend upon this record of what should be described as the Kindergarten stage in modern capitalism as an earnest for further progress. It is clear, however, that the dimensions of Bengali enterprise are anything but considerable. It is within rather modest limits that Bengali finance may be expected as a rule to operate in the immediate future. But in the interest of quick results, especially results affecting large sections of the people we cannot afford to depend exclusively on unaided Bengali brawn and brain. Even Government subsidies of one form or other are likely to be too inadequate because neither are the public revenues very prosperous nor is the taxpaying capacity of the people considerable. For theoretical considerations it is desirable to note, besides, that state socialism much as has become classical in Germany and is being practised with vengeance in Great Britain is an integral part of Second Industrial Revolution and is but a reflex of advanced capitalism. It is inexplicably bound up with high national wealth and can therefore hardly be attempted with any significance in zones of poverty and in regions, such as find themselves in the earlier stages of the First Industrial Revolution, when as is well known *laissez faire* was the inevitable doctrine in craft and public finance.

Insurance and Letters

In a previous issue of our journal we pointed out how the dull and sordid atmos-

phere of insurance offices has sometimes served as a cradle for many a budding talent in art and letters. In England, the Fire and Life insurance offices have been the haunt of the Muses. John Drinkwater, the famous playwright was a clerk in one for ten years. The fact that he attained the rank of an Inspector is very significant and shows that he was deeply involved in his business when he developed his literary powers. Mr. R. C. Sheriff of "Journey's End" fame was a Claims Inspector and did not sever his connection with insurance until a year or two ago. St. John Ervine, the great dramatic critic and author was also an insurance man.

The latest in the field is Mr. Eden Philpotts, the prolific writer, novelist and the historian of the barren wastes, untameable tracts and craggy hills of Dartmoor—a land of cliffs and rolling clouds, of steep skies and shrouded mists, of the mending rustle of the wind in hill and heather. For sixteen years he has produced annually his tale of the moor, and has followed his stereotyped pattern sedulously and with varying success, the moorland his background and the primitive passions his foundation. His "Lying Prophets," "The Secret Woman," and "The Shadow Passes" are some of his masterpieces. Tragedies, fantasies, tales of boyhood and poems—he has given us in plenty.

It would be interesting to note here that Mr. Philpotts was born at Mount Aboo in India where his father was a Political Agent. After being educated at Plymouth he came to London

to serve for ten years as a clerk in the Sun Insurance Office.

These examples only serve to emphasise what any one acquainted with the inner life of an insurance office can see for himself that an insurance career is not incompatible with a love of beauty and the gift of self-expression. There is evidence of this in the flourishing condition of the insurance dramatic and operatic societies. Apart from these collective activities there are hundreds of insurance workers whose hobbies take the form of artistic

pursuits. We fully agree with Mr. Thomas Jelliss who observes in this connection, "The truth is that insurance, though as frankly commercial in its objects as any other industry cannot achieve those objects at the expense of the individuality of its workers. Imagination, originality, intellectual independence—at odds in other business with the mass production methods rendered inevitable by the stress of competition—are valuable assets in an insurance office."*

* *The Policy*, January 7, 1933.

"It is my personal opinion that life insurance is a necessity and I think that it is every man's duty to carry as much life insurance as his means will permit. That is what I have done in my own case."

—James A. Farley
(*American Post-Master General*)

Health Insurance in Japan

By S. SINHA, B. Sc. Econ., Ph. D. Econ. (Lond.)

The introduction of health insurance in Japan marks a new stage in Japanese labour legislation. It is the very first beginning of constructive labour legislation in that country. Some have hailed it as a sign of the growing respect for international opinion, while others have claimed it as the first visible victory of the challenge of labour. But it is more probable that it issues primarily from the recognition by the Government of the alarming growth of sickness among the industrial population of Japan. It is realised that the rise in Japan's industrial efficiency, both technical and human, is vital to her existence as an industrial nation.

Although the Health Insurance Act was passed in April 1922, the immediate enforcement of the law was prevented by the terrible earthquake of 1923. In March 1926, however, the authorities decided to act and health insurance came into operation on July 1, 1926.

The scope of this Act is somewhat restricted. In fact, the Health Insurance Act should be considered only as an essential corollary to the Factory and Mining Acts of Japan, for it is limited in its application to the workers to whom the above two Acts refer. Roughly, therefore, it may be said that all the workers in mining are covered by the Act, although the proportion of insurable workers in factory industries will probably be slightly below 50 % of all factory workers.*

The importance of the Act mainly lies in its compulsory character. Compulsion in health insurance is justified on the ground that it is the only effective system for the protection of the working class as a whole.

The new legislation marks a fundamental breach with the past in regard to the type of "risks" to which it applies. Purely physical risks were covered by the workmen's compensation provisions of previous legislations. But a more radical principle is introduced when "insured risk is widened to cover temporary incapacity of whatever origin." The inclusion of such diverse items as "medical attendance or pecuniary accident or sickness benefit, funeral benefit and confinement and maternity benefit" bears eloquent testimony to the comprehensive character of the Act.

The two parties naturally interested in the health insurance scheme are obviously wage-earners on the one hand and employers on the other. The importance attached to this Act, and consequently to the health of the workers, is shown by the direct financial commitment undertaken by the State.

In principle the insurance contribution is equally shared by wage-earners and employers. Its calculation is arrived at by a two-fold method. First, it consists in the grouping of all wage-earners into distinct wage-classes; and secondly, it involves the determination of their corresponding "basic remunerations." The basic remuneration of each class of wage-earners thus corresponds to a fixed table of assumed wages. In other words, the basic rates of wages are not "actual" wages but a

* The total number of insured workers is in the neighbourhood of 2,100,000 which represents about 3·4 per cent of the population of Japan and 13 p. c. of the occupied population. (Cf. Memorandum of the

rough approximation of them. For example, the basic wage of '30 yen per day' corresponds to the lowest wage-class composed of wage-earners who draw in "actual" wages an amount less than '35 yen per day and so on.* It is interesting to observe in this connection that in this matter the Japanese law is in conformity with the prevailing European practice "as opposed to the British, in which the rate of contribution varies with sex but not with remuneration."† Finally, it must be mentioned that the maximum contribution must not exceed 3% of the wage-earner's daily wage.

Although in principle the employer shares the financial responsibility with the wage-earner, in certain circumstances the rule may be modified in favour of wage-earners. In occupations involving 'much risk,' for example, coal-mining, different rates may be fixed in respect of persons employed in them. In extreme cases the rise may even amount to a maximum of two-thirds of the total insurance contribution jointly borne by the parties concerned. The same principle holds good in regard to wage-earners receiving very low wages.

The purpose of the State subsidy is a double one. First, it is designed to cover the cost of administration of the entire insurance scheme. In its second aspect, it aims at

building up an organisation for prevention, rather than cure, of sickness among the labouring population of Japan. Indeed, it is bound to receive more attention in the future, not merely because it is calculated to attain more effectively its primary aim, namely, the health of the nation. The calculation of the Government contribution regulated by two principles. First, it depends on the annual estimate of the approximate number of insured persons. In the second place, it depends on the total sum required for the expenditure on insurance benefits, *i. e.*, the amount directly required for the granting of different benefits both in cash and kind.

It is probably too early yet to be able to ascertain with any approach to accuracy the total cost of the health insurance scheme. The organisation is still far from perfect. Nevertheless according to an actuarial survey made by the Government, it is estimated that the total insurance revenue will approximately amount to 46,000,000 yen, including the Government subsidy and the insurance contributions. On the other hand, the expenditure will roughly amount to 40,000,000 yen. The surplus will be credited to the reserve fund.

Mutual aid societies have long existed in Japan. The organisational basis of health insurance was therefore not entirely lacking in the country. Nevertheless the inauguration of health insurance was not plain sailing. There was first the need for local organs in close touch with the insured persons; secondly, the success of the scheme depended largely on the setting up of a complicated machinery of supervision.

The first need was met by organising insurance on a double basis. The local organs may thus be classified into (i) health insurance societies and (ii) health insurance offices.* The

International Labour Office submitted to the Royal Commission on Labour in India, Evidence, Vol. IX, (London).

* There are thus sixteen wage-classes to each of which there is a daily basic wage which roughly corresponds to the "actual" daily wage of that class. For example :

Wage Class	Basic Daily Wage	Actual Daily Wage
1.—	'30 yen	Less than '35 yen
8.—	1'30 yen	Between 1.15-1.45 yen
16.—	4'00 yen	More than 3. 5 yen

† Cf. *International Labour Review*, Dec., 1926.

health insurance society or "establishment fund" is a purely local organisation and constitutes a new variant of the old mutual aid society. Its membership extends to all insured persons of a particular undertaking or a number of undertakings taken together. Insurance under the direct control of the Government is both numerically and in influence the more significant. It is effected through the health insurance offices established on a territorial basis, each of which controls the insurance of persons falling within its particular area. The class of persons insured under this scheme is mainly composed of persons who belong to undertakings too small to fulfil the requirements of the health insurance society.

The creation of an administrative apparatus for the provision of medical aid under the health insurance scheme was facilitated by two circumstances. It was particularly fortunate that the State became from the very outset responsible for the insurance of the bulk of the workers. On the other hand, the basis of a nation-wide medical organisation for the purpose of health insurance was already in existence. Thus the State, on behalf of the health insurance offices, was able almost immediately to entrust the Japan Medical (Practitioners') Association with the entire responsibility for the organisation of medical service for the insured workers. Once this was accomplished, no serious difficulty was likely to be expected in respect of the medical treatment of workers insured with the health insurance societies. There exists no uniform medical organisation among the health insurance societies. The majority of the societies however seem to have entered into arrangements with the Japan Medical Association.

As noted above, the list of benefits granted under the Health Insurance Act is fairly comprehensive. It is interesting to note that Japan, like most European countries, has found it an advantage to include maternity insurance in one comprehensive scheme of health insurance. Of these benefits sickness benefit in the form of medical aid as well as the payment of monetary benefit is the most important. It may be added that the commencement of medical benefit follows immediately upon the occurrence of sickness or injury. Its primary aim is the quickest restoration of the insured person's health. The period during which medical benefit may be allowed is however limited to 180 days. "Cash" benefit in respect of sickness or injury, on the other hand, forms a substantial sum and is normally fixed at 60 p. c. of the worker's daily remuneration, and its duration like that of medical benefit is also limited to 180 days. As maternity is considered as a species of sickness for the purposes of the law, the amount granted in maternity benefit is similar, *i.e.*, 60 p. c. of the mother's daily remuneration, and its payment extends over a period of 10 weeks. In addition, a confinement benefit of 20 yen, or 10 yen when a midwife has been supplied by the insurance institution, is granted to the patient.

The following statistics will afford some idea of the wide scope of the benefits granted :

A. ALL CASH BENEFITS

B. ALL BENEFITS IN KIND

A. Year	Total	
	(000's yen)	Per insured person (yen)
1926 (3 months)	2,978	1.53
1927	16,055	8.50
1928	16,455	8.51

B. Year	Total (000's yen)	Per insured person (yen)
1926 (3 months)	4,101	2.11
1927	18,453	9.77
1928	19,018	9.86

THE TOTAL COST OF CASH BENEFIT FOR
SICKNESS, ETC.

1926 (3 months)	Yen 2,504,000	Yen 1.29
1927	13,440,000	7.12
1928	13,643,000	6.95

In this somewhat short survey, one thing has been made clear, namely, that the inauguration of health insurance in Japan marks a most constructive approach to one of her pressing labour problems. In Japan, no less than in India, the problem of health is acute. Japan has been quick to perceive that her industrial future is indissolubly bound up with the health of the workers.

The organisation of the new scheme in Japan has been facilitated by a number of circumstances. On the one hand, the supply of medical men was already large enough to cope with the new requirements, while the existence of the mutual aid societies on the other had anticipated insurance institutions. Finally, the workers' familiarity with other forms of insurance, for example, the post office life insurance, inaugurated in 1926, and their knowledge of the three R's paved the way for the introduction of health insurance--conditions not easily reproduced in India.

The dovetailing of the workmen's compensation provisions into the health insurance scheme has not given general satisfaction, for it has been maintained that "the employers' charges on account of the industrial risk . . . have probably been lightened but little, if at all." But it is questionable whether this statement can be substantiated. Moreover, the functions of the two types of insurance are different. Workers must not be made to pay for

industrial risks for which they are not primarily responsible.

It appears that while on the whole the State-managed institution secures uniformity of administration, the advantage is not all on its side. The health insurance offices have generally proved more expensive. The educative effect of self-government also is denied to them. Despite relative cheapness of the health insurance societies they have not expanded as they should have done. The present economic situation is held responsible for this, because the larger industrial units have been hit harder than the smaller ones.

The steady progress of health insurance is shown by two facts. First, the increasing demands on the doctors' services indicate that workers have not been slow to utilise the new organisation. Indeed, its popularity has been so great that the Government has been obliged to restrict the increase of "excessive resorts to doctors." Secondly, the annual budgets of insurance institutions are in close accordance with the expected cost of the insurance scheme showing among other things that the scheme was based on well-considered data.

Finally, the effect of the scheme on the industries of the country may be briefly summarised. First of all, it is unlikely that health insurance will unduly handicap the production of the country. The addition of 2-3 p. c. of the workers' daily wage to the cost of production may, it is hoped, be more than made up by the higher industrial efficiency of the workers. In the second place, as mentioned above, the burden on the employer in respect of workmen's compensation will be considerably lightened. Thirdly, by spreading the benefits over a period of time, savings will be effected in respect of interest, etc. Similar consideration apply to the worker. He is not expected to be any the worse off as a result of the addition of a trifling sum to his daily expenses. Since he is the sole recipient of the benefit, it is for him both a material and moral gain.

The Czechoslovak Glass Industry

By F. ZAK

There are many evidences to show that glass was manufactured on the territory of Czechoslovakia already in pre-historic times, yet the full growth of the glass industry there dates but from the outset of the 17th century, when glass makers from Venice came to Bohemia and laid the foundation for a number of big glass factories. The first Bohemian glass factory is that of Harrach in Nový Svět which began to put its products on the market in the year 1630. Other factories, particularly those in the Bohemian Forest and in the Giant's Mountains followed shortly afterwards, thus in Bor (Haida), Kamenický Šenov (Steinschönau), Jablonec (Gablitz), and Tanvald.

The product of those factories was soon known all over Europe under the name of Bohemian Glass, and for its fine quality and beautiful shapes it was exported mainly to Germany, Italy, Spain, Portugal, Poland, Russia and Holland.

During the second half to the 19th century, however, on account of keen English and French competition the export of Bohemian Glass dropped considerably. This, although for a time it deprived the populace in the Bohemian Forest of a means of livelihood, had the beneficial result that the Bohemian glass factories centered then their efforts on the crystal coloured, painted and etched glass, and jewelry glass. Further development in these lines, and the growing demand for more exquisite workmanship to satisfy special orders led to the establishment of technical schools in which under the guidance of art teachers the

skill of workers was increased and troops of special artists turned out (designers, modellers, engravers, etchers, setters, etc.), by whose efforts new branches and methods were developed in the factories. These schools are in close collaboration with the industry and some acquired fame for the great influence that they exercise on the glass products of their area. Such is the technical school in Kamenický Šenov founded in 1856, another in Bor founded in 1870, the school for industrial art in Prague, the technical school in Železný Brod and others. Artists and designers for the industry are trained chiefly at the school of Arts and Crafts in Prague.

Artists of the Czechoslovak glass industry are renowned in the art-world of Europe for their work of high merit. To mention but few A. Beekert of the technical school in Kamenický Šenov is a very able designer of glass ornamentations, which are mostly executed at the school; the technical school in Bor is a source of inspiration to the numerous factories within its area, it has on its staff such excellent men as H. Strehlov, R. Cizek and J. Schroder; at the school of industrial art in Prague, the teacher Josef Drahonovský guides the development of the factories by his designs, among which there are very beautiful ornamental cups. Other work of value is done by Kotera, J. Horeje and others.

The Czechoslovak glass factories product: Hollow glass, made in different shapes, largely by hand, and in greater part further worked out into decorative and utility objects. Only

the bottles are done by mechanical means. The decorative work is carried out by cutting, engraving, painting, etching, sand blasting.

Pressed glass substitutes the expensive cut glass in making objects of every day use, such as saucers, plates, ash-trays, tumblers, etc.

Illumination glass, mainly lighting fixtures of artistic designs, chiefly made by hand, and of a very high type of workmanship.

Laboratory glass for chemists, druggists, etc.

Window glass, made almost entirely mechanically; only exceptionally is it decorated by painting, etching or sand blasting.

Building glass like tiler, slates, paving plates or blocks, etc. Among the numerous varieties of these products the most important are the "Triplex" and "Bittiplex"—the unbreakable glass, made out of several thin plates pressed together. This glass is used mainly in automobile manufacture for windshields and windows, in armoured cars and also for spectacles.

Plate and mirror glass.

A special branch of glass industry is formed by the so-called Jablonec ware which flourishes on greater part as a home industry in the district of Jizera Mountains and centres in the town of Jablonec Nisu. Jablonec ware is manufactured almost exclusively for export. About 3000 establishment and 600 commercial

enterprises deal in this ware and give employment to some 30,000 workers in factories or in home. The glass for this purpose is usually made in the form of small sticks or tubes, which are then cut and worked out into imitation pearls, beads, buttons, and other decorative objectives. Larger tubes of glass of different colours are cut into well-known bangles which are exported to India.

Although the manufacture of glass or costume jewelry underwent many changes in the course of time, the basic idea of the imitation of precious stones remains. There are still manufactured the so called "chaton" (rosette) which imitate to perfection the most beautiful diamonds, and serve as material for costume jewelry like brooches, necklaces, rings, buckles, clasps, diadems and other objects. About 1,200 independent establishments in the environs of Jablonec are engaged in mounting the imitation stones on to metal work. Another important branch of the Jablonec industry is the manufacture of objects of crystal glass,—various office and table utensils, bottles, bottle-stoppers, etc.

In normal time the Czechoslovak glass industry employs about 150,000 workers. The best export markets for Czechoslovak glass are America, England, Germany and India.

Permanent Settlement and The Cost of Swaraj

By KARUNA KUMAR NANDI

There was a time—not so very long ago—when, if anyone had the temerity to ask what Swaraj meant, he would be given the cryptic answer that Swaraj was a word full of a mystic significance and was outside the pale of definable expressions. But things have changed since, and we are apt nowadays to display considerable suspicion about anything which has any sense of vagueness as to its proper implication. It will not therefore, I hope, be considered as downright heresy, if I propose to question both the validity and advisability of perpetuating the Permanent Settlement in the proposed future autonomous constitution of Bengal.

I shall at first try to interpret the point of view of the advocates of the system. They have two pet arguments,—(i) that the institution of property has given an inherent and inalienable right of ownership to the zemindars, and since the State has no moral or legal right to remove them from their position of ownership, it would make very little difference whether the revenue assessment was settled periodically or once for all, and (ii) that the present system maintains both in social and an economic balance which it would probably not be advisable to disturb. Apart from the legal question involved in the above set of arguments, there is a great deal of substantiable ground for them, only that they lack imagination. The arguments have a valid ground only so long as we are prone to look upon the recipient of the land revenue as an institution over which the sons of the soil have no control and which has not their interest at

heart. This sense of warding off the penetration into the interior homesteads of the province of an alien Government and an alien people has probably been the source of so many inspired advocates of the Permanent Settlement.

But if we look at the thing with a little more of four-sight and imagination, we would probably realise that under a government more or less under native control (though this is practically an academic assumption, let us hope it will be under native control) things will have considerably changed from what they are now and a readjustment of the present agrarian position of the province will not merely be necessary, but will moreover be advisable and beneficial.

THE LEGAL RIGHTS OF ZEMINDARS

As regards the legal disabilities against the revocation of the Permanent Settlement, they do not seem to be insurmountable. The most important argument that the advocates of the system advance in favour of the legal position of zemindars is that they are proprietors of the land they own and the Government have no right of property but merely a right of revenue over the land. In the discussions and despatches that were circulating between the Court of Directors of the East India Company in London and their representatives in India before the inauguration of the Permanent Settlement, the general tenor of opinion indeed seems to have acknowledged the hereditary proprietary rights of the zemindars over the lands they owned. In his Minute dated the June 18, 1789, Sir John Shore frankly

admits in course of a discussion in favour of settling for the Land Revenue with the zemindars that besides its other advantages, this was "the only plan which can be adopted without some degree of injustice to the acknowledged rights of the zemindars."* Also in the discussion which took place in the Governor-General's Council in 1775-'76, both Hastings and Barwell as well as Francis maintained that the land belonged to the zemindars. "The inheritable quality of the lands" wrote Francis, "is alone sufficient to prove that they are the property of the zemindars, talukdars and others to whom they have descended by a long course of inheritance."† This view of the matter was however contested by James Grant, who advanced the theory that "the sovereign ruler in all parts of Hindoosthan, if not through the whole of Asia, unless it be in the Russian Dominions is declared to be the sole virtual proprietor of the soil."* The zemindars were no more than periodical contracting framers but who, during the decline of the Moghul Empire, had clandestinely extended their original powers.

Thus, it will be seen, the battle for and against Permanent Settlement was fought by Englishmen amongst themselves. Indian opinion did not seem to have been consulted at all. Yet an Indian, a very well-known Bengalee scholar, published a treatise on the question of property in land. It is not known, nor can it be ascertained now if it was written freely and independently, or if it was really compiled at the behest of the powers that were. But

the following remarks of a Bengal Civilian throw a very interesting light on the subject :

"There is every reason to believe that the grand errors of Lord Cornwallis's Code arose from too great a reliance upon the authenticity of a treatise upon proprietary rights, written by Juggernaut Tarkapanchanon, a Bengali Pundit, employed by Sir William Jones to compile a digest of Hindu Law Juggernaut asserts that exclusive proprietary rights in the soil appertain only to the sovereign and to Brahmins : but on perusal of the original or the very excellent translation of it by Mr. Colebrooke it will be evident to the Hindu Law Student that the author had some other object in view than that of giving a fair and candid statement of the Hindoo Law in respect to land tenure. Whether to forward some particular interest, or with the cringing sycophancy of his nature, to favour the hypothesis entertained by the rulers of the day he has given to the world a work which though it does credit to his abilities as a casuist, stamps his memory with infamy since it proves him to have garbled the texts of his authorities in order to establish as law, a system of his own, utterly inconsistent with the principles and precepts laid down by that Code, which if he believes as a Hindoo and as a Brahman, he was bound to reverse as emanation of wisdom."†

As already indicated authoritative opinion was however considerably divided on this point and shows findings as to the legal position of the zemindars in relation to their landed property and their acceptance by the Court of Directors in London cannot be said to have

* Minute of Sir John Shore dated 18th June, 1789, pp. 193.

† Quoted from Mr. K. C. Choudhuri's *The History and Economics of the Land System in Bengal*, pp. 10.

* *Historical and Comparative Finances of Bengal* by James Grant.

† A Memoir on the Land Tenure and Principles of Taxation obtaining in the provinces attached to the Bengal Presidency : By a Civilian, Calcutta 1832, pp. 27-28.

been legally conclusive? Colonel Wilks, for instance, in his *Historical Sketches of South India* smiles at the confusion created by this question. "In the controversy to determine whether the sovereign or the zemindar, was the proprietor, each party appears to me to have reciprocally refuted the proposition of his adversary without establishing his own, they severally proved that neither the king nor the zemindar is the proprietor Instead of creating" he continues, "by the most absurd of all misnomers a few nominal proprietors, who without further usurpation, can by no possible exertion of power be rendered either more or less than farmers or contractors of revenue, the British Government may still restore property and its concomittant blessings to the great mass of the subjects" This indeed seems to have the greatest sanction of authority as its backing. Nowhere in ancient Hindoo customs is the king vested with proprietary rights over the land, nor does there seem to be any mention of any intermediary like our zemindar as having proprietary rights over the soil. The primary right of ownership vested, as it should, in the cultivator and the king was only entitled to a share of the yields of the soil in return for the protection afforded to the peasant by his Government. Things donot seem to have changed fundamentally during the Moghul period. The creation of certain semi-feudal lords during the Moghul period do not appear to have vested these lords with any but a mere hereditary office of collector of revenue. Considerable material is found to prove that in Asiatic governments most of the sinecure offices were considered as hereditary and there is every reason to believe that the offices of the Zemindar, Jagirdar or the Talukdar (the different names appear to differentiate only the rank) were likewise hereditary. So that even

if we were to accept the pedantic assumption of private property in land, the zemindar can by no manner or means claim proprietary rights over it.

THE ECONOMIC BURDEN

But apart from all such academic and pedantic discussion over the rights of the zemindar, the most cogent argument against the continuance of the system is supplied by the tremendous economic pressure that the system imposes upon the people and upon the resources of the State. The economic evils of the system are two-fold,—first, that it makes for a large interception of State-revenue, and secondly, that it puts a premium upon idleness and lack of initiative of quite an appreciable number of our people. It has been estimated that more than eighty per cent of the people of Bengal are associated with the agricultural profession of whom at least seventy per cent are actual tillers of the soil. So that by keeping an intermediary like our zemindar over them, who intercept somewhere between sixty-five to eighty per cent of the gross land revenue of the province, we unreasonably tax, on the one hand, the daily bread of about seventy per cent of our people and, on the other hand, we unnecessarily waste the possibilities of the revenue expansion of the State. Again, on the other hand, this State of the present agrarian position of the province is perpetuating the growth and expansion of a leisured class who are developing as a more or less purely consuming unit in our social economy.

It has been estimated that the direct tenure-holders under the Permanent Settlement number about fifty-seven lacs. It is, of course, true that all these fifty-seven lacs are not lolling in wealth and luxury. But, on the other hand,

some of them at least are quite certainly enjoying luxuries they do not earn or deserve. I have already stated that the zemindars, talukdars, etc., under the Permanent Settlement, intercept, normally, somewhere between sixty-five to eighty per cent of the gross Land Revenue of the Province. On the other hand, in the cases of those lands of the Province which are temporarily settled or periodically farmed out, the figures are nearly reversed ;—they yield, on the average, from fifty-five to sixty-five per cent of the gross collection. Unfortunately, however the percentage of lands so settled is practically negligible. Besides, most of these people are unprofitably tied to the land,—in most cases their false sense of right on the one hand and prestige on the other prevent them from turning to any other occupation profitable to themselves.

My argument now narrows down the question into whether these tenure-holders under the Permanent Settlement should be expropriated. Besides, a further question will naturally arise as to what will the State do to provide employment to those so expropriated.

It is certainly the business of the State to think this out before any such measure of expropriation is adopted. But at the same time expropriation need not necessarily entail unemployment. By a measure of expropriation we ought to bring our agrarian position into line with modern tendencies and movements, but these tenure-holders may nevertheless temporarily remain revenue-contractors, which, in essence, they really are. This should be only a temporary measure and efforts should no doubt be made to gradually provide other venues of profitable and suitable employment to these people. Besides, the question of providing employment to this class of people is not such a serious problem as many people may imagine. Various scholars and public men

have given utterance* to weighty words on the serious problem of unemployment among the educated classes. Dr. Naren Law, in the Poojah Number of the *Advance* has estimated that the approximate annual turnover of educated and unemployed youths in Bengal at 8,000. Dr. Law's figures are no doubt quite reliable and may, for the time being, point to an alarming state of affairs, but on closer examination it will be found that they represent a state of idleness which is more a matter of choice than compulsion.

Now, I am afraid, I have committed myself, deliberately, to misunderstanding. When I say that their unemployment is 'more by choice than by compulsion,' I mean they lack initiative and, in most cases, are not willing to risk their energies after anything which may not have the absolute certainty of emoluments, though they may be pregnant with prospects, before them. This state of affairs has, I think, been engendered by two things. On the one hand, the gradual displacement of the native element from Bengal's trade and industries by more virile units for a long time past has made our people unconsciously shy of trying to fight back their position. There has undoubtedly been some slight revival of interest among the intelligent Bengalee in the trade and industry of his province during the last decade, but though the results have been quite encouraging this revival has been so slight that the general truth of my statement still holds. Secondly, the slight protection that association with land provides to most of these (most of the so-called *bhadralog* classes who constitute the bulk of the educated unemployed in Bengal are found to have some land, however meagre its area and yield may be from the point of view of sustenance) people saves them from that extreme desperation which alone might have,

in such circumstances, forced them to find out venues of employment away from the beaten track. There is yet a third and a very potent cause which operates against our trying to seek new fields for exploitation,—there is a distinct lack of leadership in this line, which alone, by its constructive programme or rational lead, should be able to persuade our young men to engage in work suitable to their intellectual and physical equipments.

But all this notwithstanding there cannot be any successful solution of the unemployment question of the educated for any length of time unless the larger problem of better employment of the masses of our people, of whom at least seventy per cent are directly dependent on land alone just now, has been solved. There was a time when the Bengal cultivator was not merely dependent upon land, but had some sort of a handicraft to fall back upon besides. Modern conditions and competition from across the *rivers* and the seas demanded modernization of their methods, which our people failed to cope with. The result has been an all-round insufficiency of employment, for agricultural activities cannot occupy them, on an average, for more than 100 days in the year. This has naturally made the occupation of agriculture very much unprofitable to most. What is needed therefore is that industries, preferably on a co-operative basis, should be started all over the province merely with a view to meeting local demands and on local capital and with local labour. This alone can release any appreciable number of our people from the land and eventually make the occupation quite profitable. Large industrial towns reeking with filth and vices have never appealed to the homely Bengalee labourer and will never be able to entice him in spite of starvation and unemployment. And thus also suitable

employment can be found for thousands of our young men consistent with their education and physical equipments. But the initiative must at first be taken by them.

I have said that though all the direct tenure-holders under the Permanent Settlement cannot be said to be exactly rolling in wealth, there are at least some who are enjoying luxuries they do not earn or deserve. There are some 1,000 to 1,500 zemindars in this Province who would fall under this category enjoying all the privileges of the Permanent Settlement. They are never satisfied with their undeserving affluence, and I have the Land Revenue Administration Report of Bengal of 1930-31 before me to prove, that they are the foremost among those who rake up unhealthy disputes with their tenants by trying to enhance an already pretty high rent. Besides, generally earning an amount many times higher than the minimum taxable income, these people are, moreover, exempt from the operations of the Income-tax Act. Indeed, in every way they are proving more and more a source of waste and loss both to the Government and the people. Absentees more often than not, these people in most cases have developed into a proverbially oppressive community and have become more an economic burden than anything else on the resources of the community. All that these people may claim or deserve is the remuneration of an ordinary revenue-collector under the Government. Their expropriation will enhance the land revenue by at least fifty per cent under the existing rates, if not really more. In this connection I will just cite one example of the benefit of the Permanent Settlement to our peasants and close my article. One Mr. B. N. Guha writes that five hundred peasant-families, whose ancestors reclaimed the Natudah area in the Sindarbans, have been rendered absolutely landless without any compensation whatsoever

by the Government having acquired 1700 biglis of land belonging to these people from Mr. Nafar Chandra Pal Choudhuri, who got all the compensation. And though the canal project fell through the land was not restored to them but was temporarily leased out to one Mr. P. Sadhkan. Hundreds of such instances may be found throughout the length and breadth of the Province and yet our people are never tired of talking big about the benefits of the system.

Lastly about social balances. Social values have of late been fast changing and it is certainly better that they should change their present obsolete form even if that may cost some temporary disturbance. Besides the benefits of bringing all the land to Government *khas* (with of course adequate *safeguards* to the peasants) would more than compensate for whatever temporary inconvenience we may have to suffer.

WHY FAMINE FOLLOWS THE FLAG

"India the same—her life-blood sucked but worse.

Perhaps in twenty years five hundred millions sterling, from her famished myriads.

Taken to feed the luxury of Britain.

Taken, without return—

While Britain wonders with a pious pretence of innocence, Why famine follows the flag.

* * * * *

O England, thou old hypocrite, thou sham, thou bully of weak nations whom thou were called to aid."

—Edward Carpenter
(in *Towards Democracy*)



Publicity—Media and Methods

By S. K. BANERJEE

To have anything on a mass scale, be it adoption, production or consumption, one must resort to publicity. With the growth of, or desire to grow, mass consciousness publicity is a necessity and its importance is daily dawning on every class in the society. Publicity is education for the mass and class in an extensive scale and it can be regulated and ought to be regulated in a way as not to be an economic waste. In these days of mass consciousness we can not but think of economy in every sphere of life and with the daily increasing struggle for existence and new ideas of comforts we have to think of economy, speak of economy and act economically; even when doing a thing for the mass we cannot ignore economy—it is a method, a means and not an ideal goal of life or its activities. The politicians who are perhaps the worst wasters cannot ignore economy; it has now become a handmaid of politics and is one of the planks of all political platforms. With the increased struggle for existence every nation is trying to use utmost economy in every sphere of its activities—waste is soon going to be a word of the past and every man would feel himself ashamed of living dubbed a waster, whereas wastefulness had until late been considered a virtue with many specially the leisured and aristocratic class, no less with the statesmen, diplomats and politicians.

The ideas of life, of imperialism, of civilization have all been changed and, in the opinion of one class, nations are sacrificing that self-respect and their “national” glory at the altar of

economy. Publicity has been the vehicle of bringing about all the sea changes while publicity has destroyed secretiveness; it has on the other hand developed diplomacy, in a most subtle and scientific manner, and a successful diplomat must be a scientifically trained publicist.

Psychology plays a very important part in all publicity campaigns and a publicist, to be successful, must be a student of psychology of others in mass and individual forms. A publicist tries to launch his attacks on the weak points of the mass or the class he means to capture, and a study of the mental and superficial conditions of his objects is very necessary; to make a campaign successful he has to select the best medium which will exercise influence directly and circumstantially through other higher sources; it must appeal and exercise pressure from the higher social circles of sensitive nature. The means or the vehicles of propaganda should be so selected as would inspire confidence by direct appeal and would also generate confidence by association; the vehicle selected need not act on a wide range; it must convey conviction and exercise influence through the higher strata of society; a mass or extensive circulation of a popular paper, for instance, may convey the “news” but may not necessarily create a conviction or exercise influence either on its readers or through the higher personages in society; there are many such newspapers in every country which are good purveyors of news, being chiefly devoted to sensational news, but which create no

influence on their readers—advertisers hardly get any result from such vehicles—their propaganda is a waste through such papers, for the readers of such papers are hardly interested in their opinions or in any business propositions contained in them; they are interested in sensational news, and business propositions have hardly any chance to succeed with their readers; whereas a sober paper with definite policies and commercial specialities, are more sought for and respected by its readers and its readers being a steady class always seek to have their cue from the announcements in such papers: the social positions of the editors, the staff and the contributors go a great length in making them heard and respected.

HELP TO BUSINESS

In order scheme to make any publicity a successful, the medium is the first thing to be selected from amongst the varieties; after the medium comes the process, time and expressions; time or rather opportunity, has to be selected with due regard to circumstances and the objectives; then the expressions and statements that would readily appeal to those for whom the campaign is intended. A technical journal requires certain statements of facts but a newspaper meant for the mass requires different statements put in a forceful and convincing manner; again, a newspaper circulating amongst the more educated and well informed potential readers would require entirely different expressions and statements; these are matters for experts and not for the proprietors and managers to decide—the latter are to mention their objectives, while the expert would be busy devising the form, or letterpress: for different classes of customers or objectives different means are to be adopted and the literature has got to be prepared with

the same end in view but with different modes of expressions, otherwise known as “stunts” and “splashes”; it is an expert only who can devise “stunts” to be effective.

EXAGGERATIONS

In commercial matters as well as political spheres the principles are the same while the methods may be different. It is a mad policy to try to capture the mass by ignoring the class in say, perfumery, toiletry and medical subjects. The class should be the first objectives, and to get at them the prescribers *i. e.*, the physicians, analysts etc. should not be ignored; but before starting a press campaign distribution system should never be overlooked, that is, when a manufacturer advertises “Sold Everywhere” he should see that his product is at least stocked in every city, district and sub-divisional towns where the media circulate; if an announcement is made like that and enquiries prove fruitless to campaign is most likely to fail; and adviser should never exaggerate or try to bluff. When a bluff is exposed it will be very difficult to popularise the product or increase the goodwill of the advertising firm. A manufacturer should take his publicist in his confidence, same as a litigant is expected to be utmost frank and truthful, before his legal adviser or attorney; generally, a litigant if not truthful to his legal adviser is more sure to lose his case than he would be otherwise; this is equally true for the advertiser as well as the publicist. Therefore the selection of the publicist is very important who should be a man of confidence able to keep the confidence placed in him.

ASSOCIATIONS AND PUBLICITY

In higher commercial circles the producers adopt a different method—when they are not

concerned with a proprietary brand or "patent", say in case of tea or any particular fruit such as orange : in case of such productions, the more progressive men with great outlook form themselves into an association, engage scientists, set up laboratories etc. ; after being convinced of the results they find that all are not keen or enthusiastic as they are ; some, though convinced are eager to reap the benefits but not pay for them ; to avoid such uncertainties they get a law passed obliging every producer to pay something as cess for the development of the production and extend its sale ; such levies, collected by Government, are handed over to the association or a committee who make themselves busy in researches and publicity campaigns to popularise the product in and outside the country : such associations are meant not only to safeguard the interests of members but also to help them in popularising their products. Properly speaking, an association is a joint publicity board meant to give various services to its members for which its expenses should be assured and the payments obligatory and not voluntary : unless and until an association is assured of its income it cannot lay its hands on any sustained work. Comparisons may be odious, still it is necessary to wake up our commercial men to be careful of their own interests. Every manufacturer, farmer, and producer must have their respective associations for development and research work ; no one individual or firm can undertake any research work on its own account to benefit the whole trade. Take for instance, Tea or Coke--their development would have been impossible, either in the plantations or in the world's markets without the aid of the Indian Tea Association, the Tea Cess Committee, or

the Coke Cess Committee. In the local markets the former gave its help and services to the plantations and the Association, when they found their work too heavy and means far too limited to popularise tea in India and outside, the Tea Cess Committee was brought into existence and we know what they have done in the last three decades. For this sort of publicity, help of law is necessary. There are similar other organisations for lac, jute, etc., but they are not so potent as the Tea or Coke Cess Committees.

DEITY OF JOURNALS

If insurance is to be popularised, the Insurance Associations must take up the general publicity work, while individual companies would only push their individual schemes to the public. The form of publicity in an insurance journal would be different from the form adopted to catch clients through general newspapers--the former would be scientific while the latter should be "catchy." Much good results are lost by overlooking such important details.

When a newspaper Editor recommends a medicine none, rather very few, believes it, while his review of a book or a hair oil may command better respects : the review of a medicine by a medical journal is more convincing than the opinion of a daily newspaper. People are gradually but surely losing faith in press opinions, why ? Because they have become too cheap, especially if the manufacturer claims the article to be a genuine Swadeshi one in labour, capital and ingredients. Instances have come to light that many such articles are either worthless fakes, or old wines put into new bottles. A responsible paper unless it is careful of its own interests will soon lose its prestige if any of its opinions are found

to be not based on facts. Lately any such bogus swadeshi milk-foods, scents, fountain pens, etc. are on the market and they are generally recommended as "swadeshi" but as a matter of fact, every part of it is imported with a Swadeshi mark or name pressed on it; strict custom rules have failed to check them in the beginning; the more the laws are getting stricter the more new methods are devised to evade the law. It should be the duty of a publicist having the country's interest at heart to expose them and not to help the dishonest

importers to cheat the public by taking advantage of their sentiments.

The newspapers, the associations and the chambers are the watchdogs of country's interests; they should live up to their traditions and not be a party, consciously or unconsciously, to the deceptions played on the public by the tricksters. A manufacturer or business firm must be very scrupulous in selecting its medicine and then the methods; if these are done correctly, publicity can not be a failure in any case.

"Insurance has become such a vital factor in the economic life of the nation that it seems hardly necessary to stress its value to both the nation and to the individual. I believe in life insurance and carry a considerable amount of it. I have no hesitancy whatsoever in commending this form of protection and investment to men and women in every walk of life."

George H. Dern
(*American Secretary of War*)



A Review of the Bombay-Osaka-Lancashire Cotton Trade

By RABINDRA NATH ROY

After so much storm and stress that have passed over the country in regard to the triangular fight in cotton and textile industries of India, Japan and Great Britain, the review which I have contemplated here seems rather late. But we do not find any account of the summary of principal statistics relating to the cotton industry and trade of the three countries put together. I have, therefore, attempted to give a concise resume of the relevant statistics in regard to the subject and have tried to render my own interpretations to them.

India first imposed the preferential tariff on non-British textile imports in April, 1930; Pandit Madan Mohan Malaviya, leader of the Nationalist Party in the Assembly, walked out of the Assembly as a protest against the measure. S. G. D. Birla, one of the biggest textile merchants in India, opposed the anti-Japanese duty. The Ahmedabad Mill Owners' Association declared that they needed no protection. They were not bothered especially by Japanese competition. "If the Government respects the interests of India and the Indian spinners, it had better impose the same tariffs on British imports." In 1930, leaders representing all opinions, excepting a few Bombay mill-owners, condemned the preferential tariffs.

In April, 1931, due to financial difficulties the Government of India increased the tariff on British textiles to 20 per cent *ad valorem*, and on foreign to 25 per cent *ad valorem*.

In September of the same year, after the suspension of gold standard by England and India following suit the tariff on British textiles was raised by 5 per cent, and on non-British by 6½ per cent. After a few months, Japan went off the gold standard and the yen fell down from Rs. 136 to Rs. 110 per yen 100. Due to the depreciation of the yen Japanese textile imports into India increased at the expense of Lancashire. Hue and cry was raised there, and the Mody group of mill-owners in Bombay also demanded protection against Japanese competition. In August, 1932, the Government increased the tariff on non-British textiles to 50 per cent *ad valorem*. Japan protested against this action of the Government and a conference was held behind the screen between the British Board of Trade and the Japanese Consulate in England. While negotiations were going on the India Government on 10th June last increased the tariff on non-British textiles by 25 per cent again. As a measure of retaliation Japanese spinners announced the boycott of Indian cotton, of which Japan is the largest importer. Afterwards a meeting between the Government of India and the Japanese representatives have been arranged and held; and up to the time of writing this article no final decision has been reached.

PRESENT POSITION OF INDIAN MILLS

During the last 25 years production in Indian mills has increased enormously, from

350 million yards per year at the beginning of the present century to 3170 million yards in 1932-33, an increase of 806 per cent. In 1914-15, local mills produced 1,136 million yards; Indian weavers with their handlooms produced 1,181 million yards; and to meet the balance of local demand 2,116 million yards were imported, of which 2,378 million yards came from England (97 per cent of total imports.) and only 16 million yards from Japan (·7% of total imports.) On and from the year 1914-15, production in Indian mills has increased regularly year by year, and from that time textile imports have declined as well. In the year mentioned above 1,766 million yards were available for sale in India, of which the share of Indian mills was 24 per cent, that of handlooms was 25 per cent and that of imports was 51 per cent. In 1919-20, Indian mills supplied 50 per cent, hand-looms supplied 10 per cent and balance was met from imports. Percentage shares of different countries in the supply of Indian textiles are given below :

Percentage Share in Indian Supply of Textiles :

Year	From Indian Mills.	From Hand-looms.	From Import.
23-24	12 p.c.	23 p.c.	35 p.c.
26-27	12 "	24·5 "	33·5 "
29-30	14 "	22 "	34 "
30-31	54 "	27·5 "	19·5 "
31-32	58 "	27 "	15 "
32-33	55 "	21 "	21 "

Production of twist and yarn have also increased during the last two decades. (Figures in Table 1 will show the increase.) Import of twist and yarn has declined in the meantime. Total quantity of import, with the share of England and Japan is given below :

IMPORT OF TWIST AND YARN IN LAC LBS.

Pre-War	Total Imports	Imports from U. K.	Imports from Japan
Average	118	371	45
War Average	341	217	74
Post-War Average	147	257	168
1931-32	316	119	62
1932-33	151	134	181

Owing to decrease in exports of all sorts of textiles Bombay mill-owners are feeling increased difficulties now-a-days. A small percentage of total Indian production used to be sold in the overseas market; but owing to competition and higher prices of Indian manufactures the same market has been closed. The following figures will speak for themselves.

EXPORT OF INDIAN TWIST AND YARN IN 1000 LBS.

Year	Total Export	To China
Pre-War Average	192811	100953
War Average	120685	110281
Post War Average	82166	62751
1931-32	22013	170
1932-33	15108	8

Export of Indian Piecegoods	In million yards	
	Total	Grey
Pre-War Average	90	17·1
War Average	155	74·5
Post War Average	161	12·5
1931-32	103·1	8·5
1932-33	66·1	4·6

IMPORT OF TEXTILES

Import of textiles in relation to total supply has declined continually during the last twenty years. Up to 1917-18, England had the lion's share in Indian textile imports. After that year Japanese competition increased each year till at last England had to take recourse to protection in the shape of lower duties, to save her textile business in the Indian market. Percentage share of England, Japan and China

import business of twist and yarn in India is given below :

Year	Percentage U. K.	Share of Total Japan	Imports China
1913-14	86 per cent	2 per cent	
1924-25	37 "	57 "	
1926-27	41 "	54 "	2 per cent
1929-30	46 "	25 "	24 "
1931-32	38 "	20 "	42 "
1932-33	30 "	40 "	30 "

Percentage share of England and Japan in Indian piecegoods imports is given in Table 2, published in this page. The reader will find that textile imports (both piecegoods and yarn) have decreased considerably ; but the share of Japan has increased enormously at the cost of Lancashire. The latter centre used to supply 98·6 per cent of India's total textile import, and now this figure has gone down to 23·9 per cent. Taking recourse to protection English imports increased slightly from 23·9 per cent in 1931-32 to 31·2 per cent last year. Japanese imports have increased from 5 per cent in 1913-14 to 68·5 per cent in Grey, 29·2 per cent in White, and 50·4 per cent in Coloured. Lancashire is naturally furious.

DIFFERENT VIEWPOINTS

1. England with her political supremacy over India is not prepared to quit the Indian market for good. She cannot compete with Japan and demands protection.

2. Indian mill-owners have lost their overseas trade ; they cannot compete with unrestricted Japanese imports owing to cheapness of Japanese goods, they have been compelled to cut down their profits and sell at cheaper prices.

On the other hand, the prices of Lancashire goods being higher than that of Japan, Indian merchants prefer the latter.

3. Japanese spinners consider the protective duty as a barrier against Jap imports in

India ; Japan has to import all her cotton requirements from overseas and due to depreciation of the yen, the cost of raw materials (Cotton) has increased. Furthermore production costs have increased 20% owing to the same causes. Hence, a high duty on the finished goods (raw materials plus production cost) is uncalled-for and is intended to stop Japanese imports totally.

Jap spinners further point out that Japan has been India's one of the best purchasers, her imports from its country being far in excess of her exports to this land. During the period 1896-1932, Japan exported to India Y2673 million, imported from India Y6337 million and in this transaction our favourable balance of trade amounts to not less than Y3664 million.

COTTON GROWER'S POSITION

Cotton is the only raw material required in textiles, and as a cotton-growing country India's position is hanging in the balance. Japan occupies a prominent position in textile production today, and Japan has always purchased a heavy percentage of India's total cotton crop. England also is a very important and large producer of textiles but unfortunately for us the sympathy of the British spinner has never been more than lip-deep ; total Indian cotton crop, consumption in Indian mills, and exports to other countries have been given in table 3. India produces 45 to 52 lac bales of 400 lb. cotton each year. Last year Indian cotton crop was estimated at 45 lac bales. Of this 23 lac is consumed in Indian mills, 7·5 lacs locally and the balance is exported annually. Whole world consumes about 55 lac bales of Indian cotton each year, but during the year ending January, 1933 the figure went down by about 1·5 lac bales to 40 lacs.

Japan purchases about 14 lac bales of Indian cotton each year. Hence, Japanese boycott of Indian cotton would be disastrous for us, since we cannot find such a good purchaser elsewhere. On the other hand, Japan will not purchase Indian cotton unless she is allowed a fair opportunity to sell in the Indian market.

WHO LOSES IN THE COMPETITION ?

We have to look into the proper position of the different parties. India is not yet in a position to meet all her textile requirements. She needs annually 6000 million yards ; her production from mills is near about 3100 million ; from handlooms 1400 million yards or 4500 million yards in all. Hence she must import not less than 1500 million yards annually. Lancashire and Osaka are the two chief suppliers and restricted imports from these two centres will not do any injury whatsoever to our mills at present. By the by, it must be clearly understood that the production in Indian mills is increasing very rapidly and if the present rate of progress is maintained India will be able to meet her own requirements in nearly ten years.

For the next ten years we can safely allow the importing countries to sell limited stocks in this market without any prejudice to our interests.

England not only demands but also enjoys preferential treatment in the Indian import market. As against this preference, England renders but little assistance to our industries. Every student of India's economical ruin knows how England ruined our textile industry by imposing heavy duties against Indian textile imports into England ; the days of *muslin* have passed away never to return again. And England is solely

responsible for it. She has dominated over India for the last 200 years, and she has done nothing towards our industrial rejuvenation.

Compared to England, Japan is a better customer and friend of India. I do not mean that Japan is purchasing from India only for her love towards us. Be that as it may, Japan is our better customer and we should not approve anything that might disturb our economic relations, and we should not be a party to any discriminating tariff that has been imposed against Japan.

TAXING JAPANESE EFFICIENCY

Japanese people are industrially most efficient in the world today. Less than a century ago they adopted Western methods and by regular research, they have surpassed all other people in industrial efficiency and economic management. Production cost is too low in Japan, about one-third in comparison with Lancashire and a small percentage in comparison with Bombay. Miss Freda Utey in her book *Lancashire and the Far East* has collected the approximate production costs on different classes of textiles in Japan and Lancashire. She gives us the following figures :

	Grey Cloth	Bleached Cloth	Finished Cloth
Cost of cotton.	61 %	58 %	45 %
Production cost.	39 %	42 %	55 %
and incidental charges.			

Miss Utey gives us some comparative figures. On a pound of yarn of 20 counts the cost in Lancashire is 1.33 *d.* and in Japan is 0.75 to 0.86 *d.* So the cost in Lancashire is 65 % higher than in Japan. Miss Utey further points out that Japanese spinners use inferior cotton and thus are able to save money on material.

From the same book, I will quote the weaving cost on two kinds of cloth which are reasonably alike :

Count	Japanese Cloth	British Cloth
Warp	42	30
Weft .	46	36
Dimensions :		
Width inches.	44	44
Length pounds	46.0	38.5
Weight lbs.	9.42	10.50
Reed	68	72
Picks per inch.	72	68
Production in 10 hours		
Yards.	10.0	43.8
Weaver's price per piece, Y 0.50		24.41 d.
Weaver's price per 100 yds.		
at the present		

exchange 14 annas Rs. 3/8/5 p.

The British cost is more than four times higher than that of Japanese cost. The reason lies in the fact that the British operative cares for only six looms, while a Japanese operative is able to supervise 35 to 40 automatic looms or between eight and fifteen ordinary looms. I have mentioned earlier in this article that Japan has to purchase all her cotton requirements from overseas. Owing to depreciation of the yen she has to pay more for cotton. Hence extra duty that has been imposed shall be a tax on Japanese efficiency.

EFFECT OF THE 50 % DUTY

Who gains from the additional duty ? In September, 1931, Lancashire enjoyed 6½% preference duty in the Indian market. In August next year the preference was raised to 25%. Prior to this second rise in duty, Japan was gradually gaining and Lancashire losing the Indian market ; but after imposition of the new duty Japanese imports began to

decline and Lancashire imports to increase. The relative figures are given below :

LANCASHIRE'S GAIN FROM THE PROTECTIVE DUTY			
Before imposition of 50 % tariff			
Piecegoods in million yards,			
Period	Imports from Japan	U. K.	Production in Indian mills only
1932.			
Average for Jan. & March	37.5	12.0	254.3
April	47.1	54.7	258.0
May	61.2	56.1	241.0
June	62.7	54.9	253.0
July	69.5	57.4	263.0
August	67.7	55.6	284.0

AFTER THE DUTY WAS RAISED

September	62.6	59.5	277.0
October	56.2	32.1	269.0
November	51.6	47.1	282.0
December	52.6	51.8	296.0
1933			
January	32.1	56.2	264.4
February	38.5	51.4	236.0
March	43.1	65.0	249.0

It will be proved beyond doubt from these figures that Lancashire gained the field lost by Japan.

FUTURE OF THE WEAVERS

In a previous para, I have written about Indian handloom industry. Output from handlooms is more than 1100 million yards a year, and not less than five lacs of poor weavers are directly engaged in this industry. They have to depend upon the imported yarn ; Indian mills cannot supply all our requirements. Further more these mills will not sell at reasonable price if they are not compelled

under competition to do so. Cheaper Japanese imports have forced the mill-owners to cut down their profits. If Japanese competition is eliminated, price of yarn and piece-goods will increase. We have already noticed how price of Swadeshi piecegoods has increased just after imposition of duties against Japanese goods. In the interests of five lacs weavers and their 25 lac dependants, we should ensure a fair and square competitive price in the market.

BRITISH ATTITUDE

England dares not engage herself in an economic fight with Japan. The latter country can hit England in every neutral soil and British businessmen are aware of this unpleasant fact. For this reason the Indian Government has successively revised the terms offered to Jap delegates in Simla. Anyhow the Government must make a settlement with Japan.

India Government first proposed 250 million yards of Jap textile imports; later on the

offer was increased to 400 million yards. To save Japanese competition in neutral soils, the Government will offer many more concessions. We are not aware of the secret negotiations behind the screen. But we can imagine the trend.

WHAT SHOULD BE DONE

India has got a rare opportunity in this grim fight between Osaka and Lancashire. India must import a heavy quantity of textiles each year. She can import it from her best customer. Both England and Japan import all their raw cotton requirements from foreign countries. India can sell at least 30 lac bales of cotton against 1500 million yards of piecegoods import or one lac bale per 50 million yards. The Government of India can inform both the importing centres that restricted imports @ 50 million yards will be allowed from any country purchasing one lac bale of cotton. Will the Government seize this opportunity and help the Indian trade?

TABLE I.

PRODUCTION OF TWIST AND AND YARN IN INDIAN MILLS

Count	Pre-war Average	War Average	Post-War Average	1931-32	1932-33	Per cent of production in 1932-33
1 to 20S	4785	4669	4471	5620	5994	59 p. c.
21 to 30S	1464	1741	1954	2940	2975	29.3 "
31 to 40S	187	210	169	711	772	7.6 "
over 40S	27	38	27	340	366	3.6 "
Wastes	5	4	4	52	57	0.5 "
Total	6468	6662	6625	9663	10164	

Total Import of twist and yarn with share of United Kingdom and Japan

						Percentage of total imports in 1932-33
U. K.	371	247	257	119	134	29.7 p. c.
Japan	4.6	74.2	168	62	181.5	40 "
Total	418	341	447	316	451	

TABLE II.

Year	Production in Indian mills and hand-loom	Quantity of Imports in million yards	Percentage share in respective classes of total imports							
	Million yards.		Grey		White		Coloured			
		Total	U. K.	Japan	U. K.	Japan	U.K.	Japan	U. K.	Japan
1913-14	2364	3197	3104	9	98.8	0.5	98.5	*	92.6	0.2
1928-29	2959	1931	1456	357	69.4	28.8	94.8	1.0	66.2	21.7
1929-30	3857	1919	1248	562	56.2	42.5	92.1	2.9	57.6	31.9
1930-31	3883	800	523	321	39.2	59.8	81.6	10.3	60.0	30.2
1931-32	4362	776	383	340	23.9	74.3	74.0	21.4	49.4	42.4
1932-33	4472	1225	597	580	31.2	68.5	68.1	29.2	45.7	50.4

TABLE III

PRODUCTION, EXPORT AND LOCAL CONSUMPTION
OF INDIAN RAW COTTON

Year	Production	Mill Consumption	In lacs of bales 1 bale—100lbs. Exports	
			Total	To Japan
1921-22	45	22	32	16.4
1922-23	51	21	35	17.1
1923-24	52	18	31	15.1
1924-25	61	22	40	20.5
1925-26	62	20	37	19.5
1926-27	50	20	28	16.6
1927-28	60	18	31	15.3
1928-29	58	20	39	17.1
1929-30	52	24	39	15.7
1930-31	52	23	37	16
1931-32	40	23	16	9.1



Germany's Foreign Debts

By AUGUST JAAP

According to the statements published by the Statistische Reichsamt (Board of Statistics of the Reich) Germany's foreign debts were on the 28th February of this year 19 milliards of Reichsmarks. The development of Germany's foreign debts since the Bank crisis of July 1931 is illustrated by the following figures:

Time	Short-Term Credits	Long-Term Credits	Total	Other Investments in countries abroad
In Milliards of Reichsmarks				
July 1931	13,1	10,7	23,8	5,9
Nov. 1931	10,6	10,7	21,3	5,3
Feb. 1932	10,1	10,5	20,6	5,3
Sept. 1932	9,3	10,2	19,5	3-5, 3
Feb. 1933	8,7	10,3	19,0	4,2



August Jaap

Since the Bank crack of July 1931 Germany's foreign debts have, as will be seen from the above, decreased from 23,8 Milliards to 19 Milliards of Reichsmarks i.e. by round about 5 Milliards of Reichsmarks; other investments outside Germany went down from Rm. 5,9 Milliards to Rm. 4,2 Milliards. The total amount of foreign capital investments in Germany is according to recent statistics Rm. 23,2 Milliards to which are still to be added amounts of debt under Rm. 5000. totalling Rm. 100 millions.

The following statement is containing the most important countries which Germany is indebted to:

Country	Long-term	Short-term	Total
in Millions of Reichsmarks			
United States	5,196	2,537	7,733
Netherlands	1,823	1,511	2,334
Switzerland	1,202	1,491	2,693
Great Britain	1,080	1,044	2,124
France	492	350	842
Sweden	158	101	259
Belgium	59	126	185
Italy	84	57	141
Czechoslovakia	—	120	120
Denmark	—	51	51
Other Countries	174	704	875
Bank of International Payments	—	610	610
Total	10,265	8,702	1,8967

Against the position of 30th September 1932 short-term credits have decreased by Rm. 645 Millions, whereas long-term credits have increased by Rm. 84 Millions (as a conse-

quence of the postponement of some terms fixed for the paying back of the credits) making in all a reduction of debts by Rm. 561. Millions. Of this amount there have, however, actually been paid back Rm. 275 Millions only.

The total amount of interest to be paid per year for Germany's foreign debts is according to the position on the the 28th February 1933 Rm. 1,299 Millions of which Rm. 622 Millions are for the account of the long-term credits and Rm. 382 Millions for short-term credits and a further Rm. 295 Millions for the amortisation quotas. If Germany's income from investment abroad is being deducted from the above sums there is being left a debit-balance

for Germany of Rm. 900 Millions. Against this heavy obligation there stands only the surplus from Germany's foreign trade which for the months from January to July 1933 was amounting to Rm. 315 Millions on the whole. Basing on this figure the surplus would be for the whole year 1933 Rm. 540 Millions. This would still leave an uncovered deficit in Germany's balance of payment of Rm. 360 Millions. This deficit must under all circumstances be removed if German trade is to recover, the only way leading to this aim being the settlement of Germany's foreign debts according to the principles of justice and capacity.

"To carry adequate life insurance is a moral obligation incumbent upon the great majority of citizens."

—President ROOSEVELT.



Modern Domestic Economy

By F. SYLVIA GUPTA

I am sorry to see that most of the young people here have a strange and altogether wrong conception of life in the middle-class western home. I suppose, they judge by the standard of living adopted by the Europeans here, and

is high. Let me give you an insight of the average middle class home, taken at random from some of my numerous friends. This will be on par with the "bhadrakok-class" here, and the girls and boys will be of equal social status, intellect, and, shall we say, worldly wealth!

First of all, I would like to point out that much money is wasted and mis-spent daily in the upper middle-class Indian household. Too much is thrown away upon style, stylish upkeep, and servants. Fancy foods and luxuries are not at all necessary, and in the middle-class Indian home there are too many servants. Of course, where there are large families and plenty of small children some domestic assistance is necessary, but where there are several big girls and young women this ought not to be necessary. In the West, however servants are a luxury. Very rarely does one see more than one maid-servant in a home. Sometimes there may be two—a cook-house-keeper and a general servant—but in such cases either the mother is dead, or unable to cope with the domestic duties due to illness. Also where the house is larger and the family needs greater; a charwoman comes in once or twice a week, for to help with the heavier work, such as scrubbing and washing. Most of the cloths, personal and domestic, such as bed linen, towels and table linen are washed at home. It is considered rather an accomplishment for a young married woman to be able to hang up for drying a well washed line of linen and shirts, etc., and the young gentle woman does not feel it beneath her dignity to do so. When



F. Sylvia Gupta

the social life depicted by the cinema. Very rarely does the cinema deal with every-day and work-a-day life. It touches more the upper circle and the aristocracy;—it has to cater for the taste of its patrons and every one's ambition.

the weather permits clothes are dried in the back yards of houses provided for same, and in tenement flats it is quite common to hear Mrs. A. call down to Mrs. B. in her yard, "What's splendid washing, my dear,—how clean and white your bed sheets look!"

In the West there is no joint-family system as in India, when a young couple marry they set out to find for themselves. They take a little two or three-roomed flat, and their domestic life and duties begin. Let us now spy upon the domestic and social management of some of my friends—who are only one family of many millions living the same way, making ends meet, and enjoying the fruits of their own achievements. I will call them Bob, Jane, and their little daughter Betty, aged four. Bob is an engineering graduate and employed in some factory. He earns about £4 a week. Had times have been better it would have been more, but cheer up, he has his job—thousands are on the "dole." Well, from this he pays off something for National Health Insurance Stamps, and Unemployment Benefit Stamps, etc., so that every Saturday afternoon Jane receives £3:15 and the usual weekly budget is drawn up and checked—

Rent & Taxes . . .
Coal & Light . . .
Food, etc., . . .
Dress Allowance . . .
Newspapers . . .
Tram Fares . . .
One day Charwoman . . .
Cigarettes and Chocolates . . .
etc., etc., . . .

Each and every item has its own little portion set aside for it, and should by any chance a little be left over—down it goes into the "Emergency or Holiday Fund Bank-box."

Where are the wages for a servant? What even if Jane's parents have one—she is not ashamed to wash her own, her husband's and her little girl's things and keep them all fresh and clean. She is so happy when Bob says, "Gee! that's a fine dish you've cooked to-day—you'll soon be able to rival mother, dear," and little Betty bangs her spoon on the table for more.

Their day begins something like this—Up in the morning at 7-30 A.M. Bob has got to be off by 8-15 for office. Breakfast prepared by them both. Then after Bob is off, Jane sets about the household duties, tidying the bedroom, the kitchen, and little lounge. Off she and Betty go marketing—lunch must be ready by one o'clock sharp. After lunch, at 2-30, when dishes, etc., are cleared, washed and put away. Jane teaches Betty her first lessons, for Betty is big now, and will be going to school next year. While Betty recites her "A. B. C." and her "2 times 3," Jane industriously makes her knitting needles fly with the stitches of the pull-over she is making for Bob, and wondering if she has been wise in choosing grey tweed for her own frock she will make for herself when this piece of work is finished.

Bob comes home at 5. 30. In the evening they will go for a walk or outvisiting. Sometimes they have an informal party—nothing terribly luxurious, that comes at X'mas time or anniversary time—and for this Jane does all the preparations herself. What pride she takes in arranging the table and placing the sweetmeats prepared by herself early that afternoon. The enjoyment for that evening means,—perhaps supper, a little music, wireless or gramophone, may be a little dance among themselves, and a song or two from Jane, not too loudly though, for Betty is asleep, and Jane is rather strict about bringing up children—well-mannered children are the product and pride of a careful and loving mother. At 10. 30, the friends depart,—work tomorrow. You know, and the same old jolly grind just as you make it—that's how it goes!

And so their little lives go on. A prospect of promotion and increase of salary in the future, that means another Life Insurance Policy too,—for practically every young couple in the West are sensible about these things. One never knows; it is always best to be prepared!

And you have no idea how happily they get along together, satisfied with their little lot, sometimes going to cinema to see how they would *not* live if they had the where-with all and the temptations of Lord and Lady whatnot.

EUROPEAN INSURANCE INTELLIGENCE

From Our Own Correspondent)

BERLIN, NOVEMBER 27, 1933.

Berlin Traffic Accidents for the first half year of 1933

According to the statistics of traffic accidents in Berlin, there is to be stated for the first semester of this year a slight increase of accidents against the same period of last year. During the period running from January 1st to June 30th of this year, the total number of traffic accidents was 10,694 as against 10,573 for the same period of last year. In these accidents 21,106 way-users had a share, as against 21,033 last year.

Fortunately, accidents were not so heavy this year as last year. There have been killed or were dying from the consequences of the injuries suffered 108 male persons in the first half of this year as against 134 for the same period of last year, and 38 female persons as against 54 for the first half of last year. The respective number of persons injured by accidents is 3220 for male and 1442 for female individuals as against 3371 male and 1452 female beings for the first half of last year. This means a reduction against last year of persons killed by 22% and of persons injured by 3.4%. On an average there comes one person killed on every second accident. In 7901 cases (7563 for 1932) the vehicles suffered slight damages and in 2220 cases (2258 for 1932) heavy ones. Every fifth

vehicle concerned in the accidents has, therefore, suffered heavy damages.

Of the persons killed 22% (29% in 1932) were drivers, 8% (13% last year) occupiers and 70% (58% last year) pedestrians. Of the persons injured 48% (46% last year) were drivers, 15% (16% in 1932) occupiers and 37% (38% last year) pedestrians. If the persons killed and those injured are being counted together there result 17% (16% last year) drivers, 15% (16% last year) occupiers and 38% (38% in 1932) pedestrians. Seeing that the statistics of traffic accidents indicate those cases only when there was a collision between two vehicles or with pedestrians and consequently a vehicle is in all cases concerned, the high share of the drivers in accidents causing corporal damages is comprehensible, where as the share of 38% of the pedestrians is to be considered too high.

Of the 21,106 way-users having for the first half of this year been involved in the 10,594 traffic accidents, 26% were passenger-cars, 14.6% motor-trucks, 8.3% motor-cabs, 1.2% motor buses, 6.8% motorcycles above 200 cm³, 4.7% under 200 cm³, 3.1% tramways, 3.4% vehicles, 0.9% trucks, 21% cycles and 10% pedestrians which means that in comparison to last year the respective shares have remained rather constant.

The share of the motor-cabs has been decreasing by 20% and that of the motorcycles above 200 cm³ by 11%, whereas the share of 20% of the motorcycles, under 200 cm³ and that of 16% of the cycles is to be considered as important. By number the increase of traffic accidents is the largest with the cycles, for there were involved for the first half of this year 616 cycles more than for the same period of last year.

German Life Assurance

According to the statements of the Association Public Life Assurance Companies in Germany 11,711 proposals have been made last September to the Companies belonging to the above Association equalling a total sum insured of Rm. 16,890,000 as against 12,385 proposals for last August equalling a total sum insured of Rm. 16,580,000. The average sum insured was for large life insurance Rm. 3802 as against Rm. 3891 for September 1932, the respective figure being for small life insurance Rm. 415 as against Rm. 174 for September 1932.

German Fire Insurance

According to the report published by the "Association of Public Fire Insurance Companies in Germany" fire losses sustained last July by the Companies belonging to the above Association amounted to Rm. 5,918,901 as against Rm. 4,570,864 for the preceding month and Rm. 7,795,215 for July 1932. The number of losses was 5868 as against 5089 for July 1932.

Losses sustained through fire by the Companies belonging to the Association of Private Fire Insurance Companies in Germany amounted for September 1933 to Rm. 7,420,000 as against Rm. 7,630,000 for the preceding month which figures mean an increase of losses against those from April to July of this year by 50%, this being attributable to the different large fires occurring during the period from August to September 1933. On the other hand, it should not be forgotten that the premium income is for different reasons still decreasing. The total amount of losses is for this year inclusive of September Rm. 54,840,000.

THE STUDENTS' FORUM

The following are some of the important insurance decisions rendered by the courts in America, that have been presented in non-technical terms by Prof. S. B. Ackerman, and are reproduced from the *Insurance Advocate* of New York :

Life-Policy

Question.—An employer applied to the local agent of an insurance company for group insurance on the lives of not less than ten of his employees. The premium for the group insurance was paid and accepted by the company. It was the understanding between the employer and the company that each of the individuals was to submit a separate application containing certain information required by the company, and that the company was to issue separate policies to each of the individuals. One of the individuals died before the policy was issued. However, prior to his decease he filed his application for insurance with the company. No written policy, however, was issued. Is the company liable ?

Answer.—Contracts of insurance, to be binding, must be evidenced by a policy of insurance in writing or print or both and the liability of said company in case of loss sustained by any policyholder shall be governed by the terms, stipulations and conditions appearing on the face of the policy. While by the express provisions of the statute delivery of a policy of insurance is not necessary if, in

other respects, the contract is consummated, the contract of insurance is not completed until the minds of the parties meet upon the essential elements and the contract is not binding until it is reduced to writing. The acceptance of premiums pending negotiations for the issuance of a policy of life insurance will not bind the company. In the instant case it appears that no policy of insurance was delivered, either actually or constructively or even written or issued by the company upon the life of the assured. The agreement between the employer and the company expressly required the issuance of separate policies. No policies having been issued, no recovery can be had.

John Hancock Mut. Life Ins. Co. vs Ludwick
165 Southeastern Reporter 918.

Life-Premiums

Question.—Premium due July 22, was not paid within the grace period, and the policy had lapsed. After the expiration of the grace period, the insurance company received the insured's check for the premium sum, accompanied with his application for reinstatement of the policy and health certificate. The company approved the application for reinstatement and deposited the check which was dishonored for insufficient funds and returned to the company. The insurance company sent a letter to the assured informing him of the dishonor of the check and further stated that the policy was "out of force

according to its terms for nonpayment of premiums," but that if assured would at once forward money order or other form of payment, his request for reinstatement of the policy would be given further attention. The assured died two weeks later. The company denies liability on the policy. Is the company liable?

Answer.—It is without dispute that the premium due July 20th was never paid in money. The question is, did the insurance company accept the assured's check in payment of the premium due July 22nd. Though in fact the check was returned by the Bank unpaid on account of insufficient funds? The mere delivery to the insurer of a worthless check which is dishonored when presented for payment, in the absence of any fact or circumstance indicating an agreement on the part of the insurer to accept it as payment of the premium then due, does not operate to waive the right of forfeiture upon its non-payment, as the general rule of commercial transactions is that the receipt of such a check is predicated upon the implied understanding that it will be paid. This is in harmony with the expression found in cases to the effect that, in the absence of an agreement to the contrary, a check is merely a conditional payment, and is presumptively received, not as a payment, but "as a convenient means of getting the money."

While we recognize the rule that forfeitures are not favored, yet it is also well settled that law never implies the waiver of a legal right,

except from conduct which is plainly inconsistent with the assertion of that right.

Ross vs State Life Ins. Co. 143 Southern Reporter 827.

Life—Double Indemnity

Question.—An assured was injured while playing in a basketball game. The injury was not inflicted intentionally but was the result of a collision between the assured and one of his opponents. The assured died soon after having received his injury from pneumonia, resulting from a traumatic condition. The company refuses to pay the double indemnity benefits provided for in the policy of insurance. The beneficiary brings an action. Will he recover?

Answer.—The company contends that the bodily injury which the assured sustained was not accidental but was the probable result of the game in which the assured voluntarily engaged, and that for that reason the company was not liable to beneficiary under the provision of its double indemnity clause. The court held however, that the insured did not by his own act cause the injury which resulted in his death. That, though the assured engaged voluntarily on the game of basketball, and, while he anticipated collisions during the progress of the same with players on the opposing team, no such injury as that which he suffered by the act of his opponent was probable as a result of the game. The injury was affected solely by accidental means within the meaning of the double indemnity clause.

Harris vs. Jefferson Standard Life Ins. Co.
168 S. E. 208.

CURRENT TOPICS

Prof. Benoy Sarkar's Views on Currency League —Rupee Not Overvalued

Interviewed by a representative for an opinion on the recent activities of the Currency League and the Devaluation propaganda Professor Benoy Sarkar said as follows :

"The Rupee is not over-valued in comparison with sterling. Devaluation is uncalled for. The eighteen-penny-Rupee ought to continue."

FALL IN INDIAN PRICES NOT HEAVIER THAN IN BRITISH

Asked for the reasons for this view Prof. Sarkar observed :

"The fall of agricultural prices in India since 1931 cannot be proven to be heavier than that in the United Kingdom. It is perhaps two or three points less. Besides, recent graphs of prices indicate that India's commodities have been tending to firm up. The recovery seems already to be on here and there although in slight proportions."

PRICE-LEVELS : "GENERAL" AND AGRICULTURAL

At this point Prof. Sarkar called special attention to the following points :

"In regard to comparison in price-levels between India and the U. K. It is to be remembered that the Indian "general index" is composed mainly of agricultural commodities whereas the British mainly of industrial goods. Comparison in "general price-levels" furnishes no test therefore as to the comparative value of the Rupee *vis-à-vis* Sterling. Indeed scientifically speaking, comparability between the two is eminently questionable because of the fundamental diversity in the structure of the two indices.

AGRICULTURAL INDEX LOWER EVERYWHERE

Questioned as to the practical bearing of this situation Prof. Sarkar answered as follows :

"In countries that are exclusively agricultural or where production and the market are weighted heavily with agricultural goods the price-level has been much more depressed than in industrial countries or those with a greater weightage of manufactured goods. In certain economic regions the discrepancy in the two price-levels has to be measured by not less than 20 per cent during the period of the present depression. The ratio question need not therefore be automatically dragged in simply because a discrepancy of some 5 or 6 points may be detected in the British and the Indian 'price-levels.'"

DISCREPANCY, NOMINAL AND REAL

Asked for an opinion as to the real nature of the discrepancy, Professor Sarkar observed :

"While instituting price-comparisons between India and the U. K. one must not be misled into posing the Calcutta or the Bombay index against the British Board of Trade index in its crude form. The investigation has to be conducted intensively and ought to exhibit the agricultural indices of the two countries in relation to each other. It will be detected that although the fall in the general Board of Trade index is 5 or 6 points more favourable than in the Indian, that in the British agricultural index is perhaps 2 or 3 points less favourable. In other words, for an agricultural country like India the fall in price happens to be not as heavy as it might otherwise be. In any case the *real* (as contrasted with nominal) discrepancy in the Indian and British

price-levels, should there be any, may turn out to be more in India's favour than in the U. K.'s. The Rupee is perhaps slightly under-valued rather than over-valued. Altogether the case for devaluation can hardly be made out."

EXPORTS AND PRICES INDIFFERENT TO RATIO

On the general problem of raising prices Prof. Sarkar said:—

"It is not enough to speculate in season and out of season on the alleged stimulation of exports or raising of prices by currency depreciation. Statistical realities have also to be faced in the most objective and open-eyed manner. Factually, the exports from India increased even under a higher Rupee (1s. 6d.). The export-curves previous to 1929 were not influenced by exchange-curves in the manner as expected according to theory. And at the present moment it is worth while to observe, further, that price-curves in India are likewise indifferent to the course of currency. Prices rose in the past even with a relatively high Rupee as established in 1927. They may rise again, as indeed they have been tending to rise, under the same ratio. A change in the *status quo* of exchange is therefore unnecessary."

PROSPERITY ALREADY IN EVIDENCE

About the present export situation of India Professor Sarkar said:

"The period of six months from April to September 1933 bespeaks a more prosperous half-year than the corresponding period of 1932.

For instance, the exports of both raw cotton and raw jute have considerably improved and the price of cotton has been looking up. Prosperity is already in evidence no doubt only in traces."

WASTED CAPITAL IMPORTS

Asked as to the prospects of a more substantial rise in Indian prices Professor Sarkar replied as follows:

"There is every likelihood of American, British and French capital being exported to agricultural countries and other normally capital-borrowing

regions. As soon as these capital movements which have been very little in evidence since 1929 resume their usual course the agricultural produce and raw materials of debtor countries like India may be expected to be placed finally on their pathway upward, as indeed they were previous to the world-depression in the epoch of more or less free capital movements."

BENEFICIAL TO AGRICULTURISTS

Prof. Sarkar was in favour of 1s. 6d. in the currency controversy of 1926-27. In 1931 he supported Rupee-sterling linking. The Ottawa Agreement was likewise supported by him last year. All these measures have in his judgment been beneficial to Indian agriculturists and exports from India. On the question of the Reserve Bank his views are already well-known as being in general agreement with the provisions of the Bill.

Finance in India—The Costs of Federation

Evidence relating to the financial implications of federation in India was placed before the Joint Select Committee on Indian Constitutional Reform on Tuesday by Mr. Douglas Dewar, who served in the Indian Civil Service from 1898 until 1921. Further evidence on commercial discrimination was also given by Sir Samuel Hoare, Sir Malcolm Hailey, and Sir Findlater Stewart.

Two memoranda were submitted by Mr. Dewar, who, among other appointments, has been Accountant-General, Bombay; Officiating Comptroller and Auditor-General; and Accountant-General in the Punjab. Many of the figures in one memorandum were challenged by committee members.

In the first memorandum, Mr. Dewar stated that in his opinion the White Paper proposals "would impose a grievous financial burden on the people of India." He adduced statistics

purporting to show that (1) for many years India was very lightly taxed under the British Administration ; (2) the burden of taxation had been greatly increased in recent years ; (3) much of the increase was the result of recent administrative changes in the Government of India ; and (4) the changes recommended in the White Paper would result in still further taxation.

The memorandum said that at the end of the first year of the Montagu-Chelmsford Reforms the Provincial and Central Governments found themselves in financial difficulties, and in the year 1930-31 the expenditure of every Province exceeded its revenue. Various figures and estimates were set forth in the memorandum, although the memorandum made it clear that Mr. Dewar had seen no official estimates.

A FINANCIAL ALTERNATIVE

"It has been said (continued the memorandum) that the present Administration in India cannot remain as it is and that those who do not agree with the White Paper proposals have no alternative to offer. May I say that from the financial point of view the alternative is clearly to introduce a less costly rather than a more costly Administration than the present, and it should not be beyond the capacity of statesmanship to devise measures that will at the same time give to India material advance in self-government. In other words, I am unable to understand why the advance to India of self-government as contemplated in the Act of 1919 would necessitate a greatly increased cost of administration."

The second memorandum submitted observations on the estimates of the Secretary of State and those of Sir Malcolm Hailey, which were previously presented to the Committee.

It discussed Indian debt, the budgetary position of the Provincial Governments and the Central Government the defence services, civil charges at the Centre and in the Provinces, the probable decrease in the efficiency of the Administration, and criticism by the Legislative Assembly. Figures submitted in the memorandum were questioned by Lord Eustace Percy and other members of the Committee.

Before the examination of the witness Lord Lighthgow, the chairman, stated that he had had an intimation from Sir Samuel Hoare that the Committee would be provided with a memorandum dealing with certain of the matters dealt with by Mr. Dewar. The memorandum was to be made public.

INDIAN DEBT

Lord Eustace Percy referred to a statement in the second memorandum that "the repayment of £84,000,000 of the £100,000,000 contributed by India towards the War seems to have been accomplished by appropriating to that purpose all the sums provided in the Budget under the head 'Avoidance and Payment of Debt.' "

Lord Eustace Percy.—Do you believe that this is the fact?—That is the only thing shown in the Budgets of the payments made, therefore I infer it is that.

Are not you aware that, I think, more than £75,000,000 out of that £100,000,000 was paid by loans raised by the Government of India? Are not you aware that it is only the balance on which Sinking Fund and interest payments have been made out of the funds for "avoidance and payment of debt"?—If you call it paying off a debt to borrow money you are robbing Peter to pay Paul.

May I suggest to you that the statement in your memorandum is wrong, that £75,000,000 of this £100,000,000 has been repaid out of

capital raised by the Government of India and that only a fraction of the Budget provision for the avoidance and payment of debt has been used for this purpose?—If you say so, I will take it at that.

May I come to the second point in the next paragraph? You say that the unproductive debt of India has increased from £13,000,000 in 1914 to £183,000,000 in 1933?—Yes.

You were asked whether you regarded provident funds, Post Office Savings Bank, and reserves as unproductive debt. Where are those in these comparative figures?—I do not think they appear anywhere, because that money is not lying idle. That has been used in some way; It is merged in the Government accounts.

Would you be surprised to know that you have left it completely out of the 1914 figure, and you have included it in the unproductive debt of the 1933 figure?—One is taken from the *Economist* and the other is taken from the "Encyclopædia Britannica," Lord Meston's article.

May I suggest to you that that is no way to compare figures?—Unproductive debt is unproductive debt.

Would it surprise you to know that in your second figure of £183,000,000 you have included a sum of £147,000,000 Post Office savings, and so on, which you have left completely out of your previous figure, so that, as a matter of fact, the comparative figures are not £13,000,000 and £183,000,000 but £13,000,000 and £36,000,000?—I do not think you would find all that difference between the two. I do not mind. My point is that your unproductive debt has increased. It does not matter whether it is in the Post Office

Savings Bank; you do admit £13,000,000 in 1914.

Lord Eustace Percy.—No.

SHIPPING DISCRIMINATION

In connexion with the evidence on discrimination Sir Phiroze Sethna asked Sir Samuel Hoare if it was ever intended in any of the Round-Table discussions or in the White Paper that ships registered in the British register could also be registered in the Indian register on terms of equality.

Sir Samuel Hoare said that the clause of the White Paper on the point was: "Provision will be made on the same lines for equal treatment on a reciprocal basis of ships registered respectively in British India and the United Kingdom." He did not think that this meant that India would be deprived of the advantages of a separate register, such as was maintained in other countries. The registering of ships in India would be part of the general reciprocal arrangement.

On the question of companies operating in India and subsidies, Mr. M. R. Jayakar asked: "Why cannot the Indian Legislature say this: 'We will give you money provided you help Indians to become trained'?" Sir Samuel Hoare said the effect of that might be discrimination of the most extreme form against British companies. The procedure might be used for destroying British shipping companies altogether.

Mr. Jayakar raised the matter of unfair competition, and cited a case of a shipping company which took its passengers free and in addition gave them clothes or a pair of *dhoties* to wear.

Sir Samuel Hoare stated that he believed that it was an Indian company. He thought if there were cases of that kind they would be dealt with by local legislation.

Ireland urging Industrial Plans

Mr. Hugh Smith in a message to the *New York Times* has outlined the policy of the Irish Free State for industrial development as inaugurated by Sean Lemass, the Minister of Industry and Commerce, before the Dublin Chamber of Commerce. It is important to note in this connection that plans are ready for the erection of three new beet sugar factories in addition to the existing Carlow concern, which has proved a conspicuous success.

Next year the Free State is also to have a cement factory and lesser plants for the manufacture of electric lamps and fittings, and of paper, as well as an additional shoe factory and two new flour mills.

Speaking of industrial developments as investment possibilities, he said there were also good prospects of establishing linoleum, art silk, silk yarn and cotton-weaving industries in the country, and declared such enterprises could be launched with absolute confidence for the future.

Certainly, under Mr. Lemass's direction there has been a marked industrial revival in this country. All flour mills are working full time and new ones are being built. His efforts to make the country self-sufficient in the production of clothing and footwear have been signally successful. The ability with which he conducts his department is admitted even in the Opposition ranks. He is one of President de Valera's most capable Ministers.

OUTLOOK IS UNCERTAIN

In his talk on capital and confidence, there was just one pertinent aspect of the situation that he omitted, namely, the present wholly uncertain and unsatisfactory constitutional position. Until

some finality is reached on the major issue as to whether the Free State will elect to remain within the British Commonwealth or declare for an all-Ireland republic there cannot be the complete feeling of confidence and security that Mr. Lemass realizes is necessary for any large-scale industrial revival.

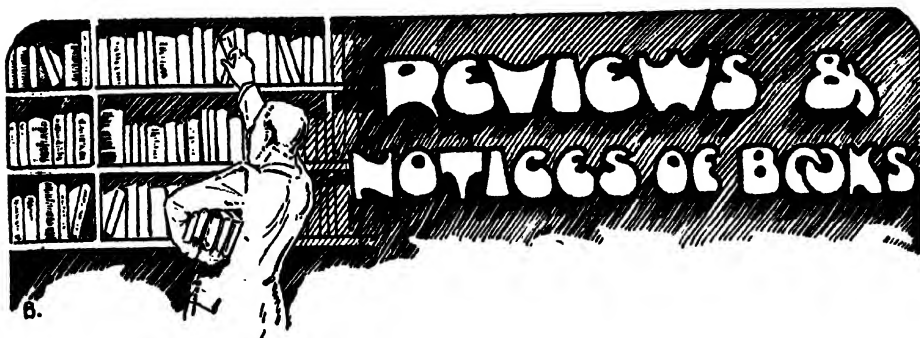
The mind of the Irish investor and his reaction to Mr. Lemass's speech are fairly interpreted editorially by the *Irish Times*, which says :

"He will invest his savings gladly in a country which possesses all the guarantees of prosperity implied by membership in the mighty empire. At a pinch, he may invest them in a republic as long as he knows it is, and will remain, a republic. A country, however, which is a dominion in fact and an independent republic in its visions cannot inspire him with confidence."

General O'Duffy crystallized the position, so far as the United Ireland party is concerned, when he declared unequivocally that he regarded Ireland's partnership in the British Commonwealth not as a question of so-called loyalty or fidelity to forms or symbols but as a matter of good business.

An equally definite declaration of policy on this issue by Mr. de Valera would be welcomed. There is a growing feeling among many people that the republican policy of cutting tie after tie linking this country to the Commonwealth may prove a slow and tedious business, prolonging unnecessarily the existing state of unrest and uncertainty. The view being pressed by several correspondents of Irish newspapers is that Mr. de Valera should go to the country in a free and unfettered general election and get the people's verdict, once and for all, on the issue of a Commonwealth vs. a Republic.

Until this question is finally settled the absolute confidence for the investing public that Mr. Lemass mentions is not likely to be attained.



LABOUR LAWS AT HOME AND ABROAD. -Published by the International Labour Office, Geneva.

The standard of living of the working classes and other employees is of vital significance in the insurance market. Field workers in Indian insurance business are already alive to the importance of the factory, mine, transportation and plantation workers.

Businessmen in India also have of late been forced to take an interest in the conditions of our workmen, thanks to the keen competition experienced from the side of goods imported from abroad. The Workingmen's Compensation Act as well as other laws bearing on factories, hours of labour etc. have likewise thrown into the world of Indian employers a mass of facts and legal categories such as can hardly be ignored without loss to themselves. Not the least important in this regard are the official visits of industrialists to the International Labour Conferences at Geneva. In the ranks of workmen also a consciousness of their rights has been dawning and at present they are organized into unions of diverse denominations. And finally the intelligentsia have been attracted to the subject of labour chiefly perhaps from the viewpoint of political expansion and social growth. Altogether, the Indian milieu is ripe for a serious and intelligent investigation into labour questions.

A well documented introduction to these problems is furnished by five volumes entitled *Freedom of Association* such as have been published between 1927 and 1930 from the International Labour Office. (Total price 22 shillings). The prefatory volume analyzes the

world's economic legislation on labour item by item in a comparative manner with special reference to the laws and activities of trade unions. In view of the fact that industrialization is the desideratum of Indian businessmen and politicians alike nothing should be more important in our public life today than strengthening the development of trade unions.

The value of the publication in question will appear from the contents of the next volumes, each given over of course, to a number of countries; for example:

Vol. II. Great Britain, Irish Free State, France, Belgium, Luxemburg, Netherlands and Switzerland.

Vol. III. Germany, Former Dual Monarchy of Austria-Hungary, Austria, Hungary, Czechoslovak Republic, Poland, Baltic States, Denmark, Norway, Sweden and Finland.

Vol. IV. Italy, Spain, Portugal, Greece, Serb-Croat-Slovene Kingdom, Bulgaria and Rumania.

Vol. V. United States of America, Canada, Latin America, South Africa, Australia and New Zealand, India, China, Japan.

The present writer has been making use of these volumes in connection with his *Arthik Tuntati* (Economic Progress, the Bengali monthly of economics), as well as the researches at the *Bangiya Dharma-Vijnan Parishad*. (Bengali Institute of Economics). The publications, encyclopaedic as they are, should be appraised as indispensable to every publicist, social worker, factory manager, member of legislative bodies, labour lawyer, and last but not least to the economic investigator. The facts and ideas exhibited in these volumes

cannot fail to enrich the research methodology of Indian economists by endowing them with concrete data in legal and social developments the importance of which in labour and industrial questions is certainly of a profound character. The five volumes before us belong to some of the most substantial publications of the I. L. O.

BENOY KUMAR SARKAR

STONE AND COX INSURANCE TABLES, 1933-34. *Indian Edition. Published by Messrs. Stone and Cox Ltd, Africa House, Kingsway, London. Pages 293, Price Rs. 2-8.*

This smart little handbook for the use of insurance workers in India has long been recognised as a very upto-date and authoritative reference book on Indian insurance. Much distinction attaches to this publication by virtue of its being published by Messrs. Stone and Cox, Ltd, of London, which firm is one of the biggest and most reputed publishers of insurance literature in the British Empire. The successive editions of this annual publication have created a tradition of reliability and usefulness in India. Although these *Tables* are neither so comprehensive as the *Insurance Vade-Mecum* nor so elaborate as the *Insurance and Finance Year-Book and Directory*, the only two annually published reference books in India, they cater for a large number of workers who have to engage themselves mostly in "field" service.

The relevant facts and figures incorporated in this compendium has been brought upto-date, and except in a few cases, e.g. the valuation results of the Hindusthan Co-operative, or the balance-sheet and tables of the Metropolitan Insurance Company Ltd, both belonging to Calcutta, the book satisfies the needs of the majority of Indian workers. The method of

compilation has been so designed as the book may prove understandable to even the beginners in the line. We hope the *Tables* will achieve increasing popularity among our workers in the years to come.

THE SPECTATOR: Prominent Patrons Number, 1933. *Published by the Spectator Co., Philadelphia (U. S. A.)*

This welcome weekly visitor from Philadelphia is one of the finest insurance publications of the United States. It has been rendering a unique service to the cause of insurance all over the world for no less than sixty-five years, and as such it seems undoubtedly to be a leading pioneer in the line.

The Prominent Patrons Number, 1933, which is before us, is an extraordinary publication with an excellent get-up and containing much entertaining materials. The wisdom of the entire nation in regard to insurance has been recorded in this number, and between the covers of this book there is offered, in behalf of insurance, the most amazing collection of testimonials ever inspired by any product, service or undertaking. Great interest has also been aroused and sustained by the display pages which picture and quote famous stars of the stage, radio, and screen; the imposing array of seven former presidents of the United States who have placed themselves indelibly on the record as advocates of adequate life insurance; by the statements of Cabinet members to whom the people today are looking for help and guidance.

We congratulate the publishers on their splendid execution of the Prominent Patrons Number.

M. MOULIK

COMPANY NOTES

The New India Assurance Company Ltd.

The Fourteenth Annual Report and Audited Accounts of the New India Assurance Company Ltd. for the year ending 31st March, 1933 record another year of unbroken progress for the Company in most of the branches in which it operates. There has been however, a little falling off in premium income in a few departments, but the aggregate premium income and total funds have shown considerable increase. The funds of the Company as at 31st March, 1933, stand as follows :

Capital Paid up	Rs.	71,21,055	0	0
Fire Fund	"	35,40,389	0	0
Marine Fund	"	23,50,000	0	0
Accident Fund	"	4,57,399	0	0
Life Assurance Fund	"	8,67,552	15	8
Profit & Loss A/c	"	7,37,313	5	1
Investment Reserve	"	5,92,282	14	7
Reserve for Exchange	"	25,000	0	0
Total Funds	Rs.	56,90,992	3	7

In the Fire Department the net premiums amounted to Rs. 44,38,472-7-4 showing an increase of Rs. 2,33,496-11-1 as compared with the previous year. Expenses of management including commission and taxes amounted to 42.9 per cent of the premium income, as against 42.3 per cent for the previous year. The Account shows a surplus of Rs. 2,29,678 out of which an amount of Rs. 1,04,678 has been transferred to Profit and Loss Account.

The Reserve for unexpired liability remains at 10 per cent of the premium income for the year and an amount of Rs. 3,25,000 inclusive of the Reserve of Rs. 2,00,000, separately established the previous year, has been added to the Additional Reserve, now amounting



Mr. S. B. Cardmaster

to Rs. 17,65,000. The Combined Reserves equal 79.8 per cent of the premium income, as against a ratio of 79 per cent for the previous year.

In the Marine Department, the net premiums amounted to Rs. 20,71,331-9-6 showing a decrease of Rs. 2,12,730-2 as compared with the previous year, and the net claims, paid and outstanding to Rs. 16,98,508-4-1. The expenses of management including commission of underwriters amounted to 16.1 per cent of the premium income as against 15.4 per cent for the previous year. The fund has increased to Rs. 23,50,000 which equals 113.5 per cent of the premium income as against a ratio of 100.04 per cent for the previous year. An amount of Rs. 68,999-10-1 has been transferred to Profit and Loss Account.

In the Accident Department, the net premiums amounted to Rs. 5,18,496-10-2 showing a decrease of Rs. 78,128-13-6 as compared with the previous year and the claims, paid and outstanding, to Rs. 2,57,746-6-2. Expenses of management including commission amounted to 41.4 per cent of the premium income as against 38.5 per cent for the previous year. The Account shows a surplus of Rs. 91,781, out of which Rs. 41,781 has been transferred to Profit and Loss Account, and Rs. 50,000 added to the Additional Reserve. The Reserve for unexpired liability remains at 40 per cent of the premium income and the Additional Reserve is Rs. 2,50,000. The Combined Reserves equal 88.2 per cent of the premium income as against a ratio of 73.6 per cent for the previous year.

The progress of the Life Department has been phenomenal. During the year the Company received 6,557 proposals for Rs. 1,40,57,450, out of which 5,015 resulted in policies assuring the sum of Rs. 1,05,21,700 yielding an annual premium income of Rs. 5,79,959-12-0. This record of the Life

Department is claimed to be unprecedented in the history of Indian insurance. The total number of policies in force is 8,878 assuring



Dr. S. C. Roy

a sum of Rs. 2,19,57,527 of which Rs. 19,72,000 is re-assured. Claims of the amount of Rs. 1,26,000 after deduction of re-assurances occurred in the case of 38 policy-holders by death. The Life Department has taken an advance of Rs. 1,94,238 free of interest from the General Department. The Directors have made it clear in the Balance Sheet that there is no mortgage or charge on any of the assets, and no part of the Life Assurance Fund has been applied directly or indirectly for any purpose other than the class of business to which it is applicable

A proportion of expenses of management which may be taken at approximately Rs. 20,000 has not been debited to this Department, but it has borne expenses incurred directly on its own account.

New India is the only Indian insurance company which can claim to possess a combination of such rare qualities of a first class insurance company as a large paid-up



Mr. Y. R. Patel

capital, huge reserves, profitable and sound investments, unimpeachable security of its policies, and the supervision and control of some of the foremost financiers and businessmen of India. The successful operation of the Company under the guidance of Mr. R. J. Duff the General Manager, and the startling progress of the Life Department under Mr. S. B. Cardmaster, the Life Manager, are objects upon which the Company can well congratulate itself.

A large proportion of the success of the Life Department of the Company has been contributed by the Calcutta Branch under the aegis of Dr. S. C. Roy who has earned a reputation not only for his remarkable business talent and gift of organisation but also as one of the most popular figures in

local commerce. Mr. Y. R. Patel who is in charge of the General Departments at the Calcutta Branch has also been acknowledged as an officer of outstanding merit, and has been responsible for the successful working of his Branch.

The Star of India Insurance Company Ltd.

We have received a copy of the Fourth Annual Report of the Star of India Insurance



Mr. S. C. Das Mr. S. P. Das Purkayastha

Co., Ltd for the year ending 31st December, 1932. The Accounts show that the Company has effected considerable improvement in several of its crucial features. During the Year, the Company issued 371 policies assuring a sum of Rs. 7,95,500 showing an increase of 12.8 per cent over the previous year's business. The premium income during the year amounted to Rs. 51,343 and interest etc. to Rs. 2,910 thus showing an increase of 7.5 per cent over the previous year's income. The saving from expenses is an encouraging feature of the Company's working during 1932. The expense ratio has been reduced by 12.2 per cent from the previous year's figure. The increase of the Life Assurance Fund from Rs. 17,822 to Rs. 38,195 working out at a 114 per cent increase is remarkable indeed. The Company has recently accommodated itself in a building of its own at 3 Cooper Road

Lahore, which, in addition to lending a prestige to itself, yields a fair amount of rent per month. The Company has neutralized the effects of depression very ably by adopting counteracting measures. The progress may be indicated by the following table :

Year	Total Income	Total Expenses	Expense ratio	Assurance	
	Rs.	Rs.		Fund Rs.	Assets Rs.
1929	30,455	37,803*	128.35*	1,305	39,077
1930	39,880	33,547	86.38	4,017	52,474
1931	50,483	31,090	61.45	17,823	61,174
1932	54,251	26,808	52.0	38,195	85,906

Mr. G. S. Marathey, the well-known Actuary, made a valuation of the liabilities of the Company as at 31st December, 1932, which disclosed very encouraging results, the surplus being Rs. 6,034. The rate of interest assumed was 5 per cent although higher rates were earned on the investments of the Company. The mortality assumed was H^M

* Including Preliminary and Organisation Expenses

Table with a rating up of 6 years and 5 years in the case of Whole Life and other classes of policies respectively.

A conservative policy was also adopted in assuming the average rate of expenses. The Actuary has recommended the distribution of reversionary bonus at the rate of Rs. 10 and Rs. 7½ per thousand per year for the Whole Life and Endowment policies respectively. The Company can well congratulate itself on the results of valuation.

The Star of India is a promising juvenile growing under the fostering care of its able Manager, Lala Nanak Chand Kapur. The Chief Agents at Calcutta, Messrs. Enterprising Union, have been very widely popularising the Company in this part of India, and in Messrs. S. C. Das and S. P. Das Purkayastha, the Company can congratulate itself on having secured a remarkable combination of the prudence of age and the enthusiasm of youth. We wish the Company a successful career and long life.



NOTES AND GLEANINGS OF THE MONTH

Actuarial Investigations into Mortality Experience

The results of the recent mortality investigation conducted under the joint auspices of the Institute of Actuaries and of the Faculty of Actuaries in Scotland were considered at a recent meeting of the members of the Institute of Actuaries. An account of the circumstances of the investigation is contained in a preface to the volume of statistics compiled as a result of the continuous investigation. The explanatory note points out that the plan of a continuous investigation into the mortality of assured lives had been formulated by the two institutes in 1914, and the method of procedure had been circulated to the life assurance offices.

The previous investigation into the mortality of insured lives covered the period 1863-93, and the graduated rates and tables based upon this experience—known as the O^m table—have been used as standard rates for determining the premiums to be paid on British life insurance contracts for nearly forty years and for calculating the reserve values submitted periodically to the Board of Trade under the Life Assurance Companies Acts.

The private annual investigations into the mortality experience of individual companies all showed that there was a great improvement, and if the war had not intervened new tables would have been issued over fifteen years ago.

It has been felt advisable to begin the observations with the year 1921 in order that the statistics should refer to a recent period as far removed from the war period as possible. The experience has covered the lives insured in 50 English and Scottish offices during the six years 1924-29 inclusive. Separate rates of mortality have been calculated for with and without profit business, for whole life and endowment assurances and for all classes combined.

The investigation shows that the non-medically examined lives experienced practically the same mortality as the medically examined. Omitting the first five years of this experience, the mortality of the non-medical class is a little lighter than that experienced by the remainder.

After exhaustive analysis of the unadjusted results the actuaries have decided to form new tables for each of the first three years following admission to life assurance, all these tables to merge into an "ultimate" table, which disregards any more extended periods of selection.

The improvement in mortality is shown by the following comparative figures, all representing the numbers dying in a year out of 100,000 living at the commencement of it.

Age.	In the First year Following Assurance	
	1863-1893 experience	New experience (select)
20	261	160
40	438	244
60	1,499	1,115

Omitting the First Three Years of Selection.

1863-1893

experience

Age	(life and endowment combined)	New experience ultimate)
20	178	235
40	7,72	3,88
60	2,432	1,973

Of the sectional experience it is of interest to note that the selection of whole life or endowment policies and whether with profit or non-participating has considerable influence upon the mortality experienced.

The following is the ultimate table of medically-examined lives showing the numbers dying in a year out of 100,000 living at the commencement :—

Central age	Life with profits	Endowment	
		without profits	All classes combined
27½	267	181	248
37½	351	303	343
57½	1,710	1,383	1,548

Dr. Banerjee on the Devaluation Controversy

We have highly welcomed the categorical statement of Dr. P. N. Banerjee, Minto Professor of Economics, Calcutta University, in favour of the stand which the Bengali Press and leading economists of Bengal have taken in regard to the question of the devaluation of the rupee. In a leading article in this issue, we have briefly pointed out the extra-economic considerations which have given the present shape to the exchange ratio controversy. We are glad to find that Dr. Banerjee also corroborates the same view, when he says :

"It is unfortunate that the exaggerated importance attached to the ratio question, the extravagant demands made by some of the

advocates of devaluation, and the narrow outlook of many industrialists have helped to cloud the issues."

It is important to note in this connection that Dr. Banerjee's statement has a great significance in as much as it makes the position of Bengali Economists nearly unanimous in regard to the ratio question.

Bengal Cotton Mills Association

An important step towards safeguarding the interests of the textile industry in Bengal was taken when a representative meeting of the Cotton Millowners of the province held at 92, Upper Circular Road, Calcutta, an association called the Bengal Cotton Mills Association was provisionally formed. Sir P. C. Ray was elected President of the Association with Mr. S. N. Mitter as Secretary.

Sir P. C. Roy, who presided, explaining the necessity of such an organization, said that the Bengal mills had their own problems and their condition and needs were different from those of other provinces. Their interests in the ordinary circumstances could not receive proper consideration unless they had an organization of their own. Everything that was necessary for the building up of a big cotton industry in Bengal was present and there was no reason why she should not have her separate association to safeguard this important industry. The necessity for such an association was long felt and he would like to make it clear that this was in no way antagonistic to the Bombay organization. There was no question of provincial jealousy involved in it.

A provisional Committee was formed with Mr. S. N. Biswas (Bengal Luxmi), Mr. G. P. Chakraborty (Mohini Mills), Mr. S. Basu

(Dhakeswari Mills), Mr. S. N. Mitter (Basanti Mills) and Mr. M. Roy Choudhury.

Indian Insurance Companies' Agents' Conference

Mr. J. C. Ghosh Dastidar, President of the Indian Insurance Companies' Field Workers Association, has issued an appeal in which he announces that under the joint auspices of the Indian Insurance Institute and the Indian Insurance Companies' Field Workers' Association the Third Session of the Conference will be held in January, 1934. This session is going to be unique mainly because of its uniting the two recognised Institutions in the field of Indian Insurance and thus providing for the only forum of the field workers of the Indian Insurance Companies where they can discuss and deliberate on the problems which concern them and them alone. This appeal goes out, full of hope, to seek the sincere co-operation of all Insurance workers in every province and to secure their presence in the Conference, which alone can contribute to its success.

The Reception Committee would be formed as soon as 25 members are enrolled who would elect the President Chairman and office-bearers in connection with the Conference. Pending the election of the Secretary of the Reception Committee Mr. K. K. Banerjee, Joint Secretary to the Association has been entrusted with the Secretarial work and all communications and remittances should be addressed to him. Any field worker of an Indian Insurance Company may become a member of the Reception Committee on payment of Rs. 2.

Any recognised Agent of an Indian Insurance Company is eligible for taking part in the proceedings of the Conference and for exercising his vote as a Delegate. The Delegation fee has been fixed at Re. 1 only.

The date, hour and venue of the Conference as also the Rules and Regulations for the guidance of its deliberations will all be settled and duly notified by the Reception Committee.

The New Asiatic Life Insurance Company Ltd.

We are glad to put on record that the New Asiatic Life Insurance Co. Ltd., which has recently been formed under the aegis of Messrs. Birla Brothers Ltd. has commenced the underwriting of business. The Board of Directors consists of Mr. B. M. Birla (Chairman), Pandit Hriday Nath Kunzru, Sir B. B. Ghosh and Mr. L. N. Birla (Ex-Officio).



Mr. H. K. Sarker

We congratulate the Company on its having secured the services of Mr. Hemanta Kumar Sarker, M. A. as the General Manager. Mr. Sarker has an illustrious career in the public life of the country and was Private Secretary to Deshabandhu Chittaranjan Das. He has also to his credit a long record of service to the cause of Indian insurance having worked in various positions of responsibility

in the New India Assurance Company Ltd, the Metropolitan Insurance Co., Ltd. and the Tropical Insurance Co., Ltd.

Moderate premium rates, hereditary commission and policyholders' representation in the Board of Directors are some of the special features of the Company. We believe there is a very bright future before this Company.

Calcutta College of Insurance

The Calcutta College of Insurance is for sometime past arranging weekly popular lectures by eminent men in Insurance. Mr. S. N. Gupta of the North British and Mercantile Insurance Co. Ltd. spoke on "The Agent's Intelligent Selection of a Life Office" on the 9th instant. He dwelt upon the need for caution in selecting a company by a new agent specially in view of the large number of companies working in India. High bonus, low premium rates, tempting commission rates—one or all of these alone should not weigh with the new agent in selecting a company; he should work for a sound company only, the test of soundness, in the speaker's opinion, being whether the company was being economically conducted and whether its investments were safe. Mr. Gupta discussed at some length these two points. He concluded with an appeal to his audience, not as one representing a British Office but as one who has been in the line for the last twentyfive years and who has always attempted to build up a position for agents, to take the message of the blessings of Insurance to every home to the mutual benefit of all concerned.

Weights and Measures—Need of Standardization in India

Two lectures delivered at the Buddhist Hall on December 12 last, under the auspices

of the International Bengali Institute stressed the need of standardization of weights and measures in India.

Professor P. C. Mahalanobis, of the Presidency College, approached the problem primarily from the standpoint of a statistical worker. The great diversity in the systems of weights and measures from province to province, and within the same province and sometimes in the same locality, he said, stood in the way of the collection and compilation of primary statistics. Data otherwise reliable were often rendered useless for lack of standardization in units of measurement.

Prof. S. K. Mitra, of the University College of Science, said that there could not be any difference of opinion about the desirability of enforcing a uniform system throughout the whole of India. The only point on which there could be any difference was on the particular system which was to be adopted. Taking everything into account the metric system which was in use in most of the civilized countries of the world, excepting the British Empire and the United States of America, was the most rational and logical system for introduction in India. One of the many advantages of this system was that it used the decimal system for subdivision of its units. This greatly facilitated numerical calculation.

Prof. Mitra concluded by saying that a movement was on foot to press upon the Government the urgency of standardizing weights and measures in India by the introduction of the metric system.

Policies that Cover Queer Possibilities

The following account of freak insurances has been published in the *People* of London dated 12th November 1933 :

There was once a man who owned a shop in the shadow of the monument, and he insured himself against the risk of the famous pillar falling on his shop.

The scheme announced by the English Golf Union to safeguard players by insuring them against risks like damages to caddies, or pedestrians, and similar accidents has focussed attention anew upon the subject of 'unusual' insurances.

And *apropos* of golf, there is the celebrated instance of Gene Sarazen, the American champion, who took out a policy of £50,000 of which £20,000, covered his hands alone.

Another example of a spectacular "sporting" insurance was when the Arsenal football team was indemnified against risk to the tune of £10,000 before starting out on a continental tour.

Some of the insurances taken up by well-known British companies are even queerer than that of the shopkeeper in the monument.

There is a Birmingham wireless firm which insured the brains of one of its experts for £100,000—paying £2,500 annually against the risk of losing him.

And not so very long ago the management of a London theatre insured the teeth of all of its chorus girls for £10,000.

This was done after one of the girls had fallen from the stage into the orchestra, and in so doing chipped one of her teeth.

Miss Fay Marbe, the Australian musical comedy actress, safeguarded her beautiful legs by insuring them for the enormous sum of £200,000.

There was another novel insurance when Mr. Roger Chetwode presented the infant daughter of Mr. Anthony and Lady Veronica Horuby with a policy as a christening gift.

Thanks to this unusual present, the child

will receive £250 when she reaches the age of eighteen years.

Miss Angela Joyce—"Miss England" in an international beauty competition in 1930, insured herself from the crown of her blonde head to the tips of her toes, for a very handsome sum—but the company which took her on jibbed at the idea of insuring her flat or property—saying that an actress from that point of view was a 'bad risk.'

"They told me that actresses were considered to be careless" Miss Joyce said: "that all kinds of people visited them, that they left their flats unoccupied for long periods."

Then there was the instance of the fat lady in a British circus who insured herself against the risk of becoming thin.

And the French actress who insured her hat which was covered with jewels, against the possibility of its being blown overboard during an Atlantic crossing.

Margita Alkven, the beautiful Swedish actress insured her eyes against possible impairment or disfigurement for £50,000 in consequence of an important film engagement.

But the *largest individual insurance policy in the world* is believed to be that of Mr. Walter P. Chrysler, the American motor car magnate, which amounts to £2,100,000.

Replacement Increases Cost of Insurance

That the surrender of old insurance and its replacement by new cannot possibly result in anything but increased cost to the policyholder, is the opinion of F. J. Cunningham, chief of the mathematical department of the Sun Life Assurance Company.

If this conclusion is sound, and ample proof has been given that it is sound in articles which have appeared recently in the "Monthly Agency Review" of the Sun Life Assurance Company, it means that in every case where

a replacement is requested the assured's action is opposed to his interests ; whereas the only justification for requesting the change is that his interests would be served. Obviously these requests are inspired by wrong beliefs instead of right beliefs. If the policy-holder clearly understood the truth the change would not be sought.

It follows that agents who advise these changes are giving advice to the disadvantage of their clients. The experience of the companies, who are facing a problem of first magnitude in the large and increasing number of requests for replacements, would indicate that an appalling amount of bad advice is being given.

No agent of whatever company will violate any code of ethics in fighting and battering down recommendations of this character. On the contrary, it is the duty of agents, and is sound ethics, to protect the insuring public against the losses inevitably occasioned by replacements.

Indian Economic Conference

The seventeenth session of the Indian Economic Conference will be held on January 2 next at Annamalai Nagar, Madras. Rao Bahadur S. E. Ranganathan, Vice-Chancellor, Annamalai University, has been elected chairman of the Reception Committee, and Professor C. D. Thompson of the Allahabad University will preside over the Conference. H. E. the Governor of Madras is expected to open the Conference. Raja Sir Annamalai Chettiar is the patron of the Conference.

A Welcome Gift

We understand that Mr. S. N. Gupta of the North British and Mercantile Insurance Co., Ltd. has offered to make a gift of a

valuable collection of insurance literature and allied publications to the Library of the Calcutta College of Insurance. Mr. Gupta has long been connected with the insurance business in Bengal and has always taken a zealous interest in the dissemination of insurance knowledge in the country. We highly appreciate Mr. Gupta's gift.

European War Risks

Enquiries at Lloyd's indicate that the risk of war between any two European Powers could be insured at a premium of 15 guineas per cent, the policy to cover the next six months. This rate, however, is considered high even for this class of risk, which is always subject to a minimum premium of from 5 to 10 guineas per cent, owing to the small amount of business on offer. An underwriter who deals in this class of risk requires a tempting premium, since he knows that one loss would wipe out his profits on such business for many years to come, even if the possibility of a claim is very remote. However, it is thought that with a firm order business could be placed to cover the risk of European war during the next six months at ten guineas per cent, but as yet no business appears to have been transacted.

Restraint on Life Assurance Company

The Judge of the City Civil Court, Madras, heard last month an application for an injunction to restrain the United India Life Assurance Company, Limited, and its directors from expending any money out of the policy-holders' Trust Fund for the purpose of constructing any building, particularly a proposed building in Calcutta. The petitioners were Mr. S. Krishna Rao and another, two of the policy-holders of the Company, who stated that

the directors bought a site in Calcutta last year and were proposing to erect a building at a cost of Rs. 3 lakhs. The rules of the company, the petitioners contended, did not permit moneys from the general fund being used for such a purpose. On behalf of the directors it was argued that the rules permitted the expenditure. In delivering judgment for the plaintiffs, the judge held that the company could not proceed with the construction work. Costs were awarded to the plaintiffs against the Company and four of the defendants.

Insurance Claim Fails

A rather intriguing suit for claim has just been disposed of by the Bombay High Court. It has several interesting features. This suit was filed by the plaintiff to recover a sum of Rs. 10,000, being the amount for which, according to his deceased father, Panachand Maniar, had insured his life with the defendant company. The head office of the defendant company is in Bombay and Messrs. R. C. Trivedi and Company were its chief agents for Gujerat, and Messrs. Shiva and Company, sub-agents for Ahmedabad. Some time in March, 1927, the deceased Panachand Maniar submitted a proposal to the defendant company through Messrs. Shiva and Company for insuring his life for Rs. 10,000. On March 31, 1927, the defendants addressed a letter of acceptance to Panachand, saying that the company was prepared to grant him a policy of Rs. 10,000 on payment of the first half-yearly premium of Rs. 172-8 and on certain conditions, one of which was that the defendants' liability on his life would commence only after the first premium had been paid to, and accepted by, the Bombay office. This letter was sent to Panachand Maniar through Messrs. Trivedi and Company, but it was

never received by him personally. Prior to this, *i. e.*, on March 26, 1927, Panachand paid Rs. 172-8, being the first premium to Narottamdas, the managing partner of Messrs. Shiva and Company. On March 31, 1927, Messrs. Shiva and Company drew their own cheque for Rs. 151 in favour of the defendants, which they sent to Messrs. Trivedi and Company, who put the amount in the defendant's account with the Imperial Bank of India, Ahmedabad Branch. No receipt was ever given for the premium to Panachand Maniar, who died at Bombay on April 3, 1927. The plaintiff contended that there was a concluded contract for insuring the life of Panachand Maniar and that on his death the defendants became liable to pay Rs. 10,000. The defendants denied their liability. His Lordship held that the so-called letter of acceptance was not absolute and unqualified and was in the nature of a counter-offer. Further the so-called acceptance never came to the knowledge of Panachand Maniar and the conditions therein had not been fulfilled. The defendants did not accept the sum of Rs. 151 as the first premium. There was therefore no binding contract and the suit was dismissed with costs.

Insurance of Indian Pensions

The Policy quotes from *The Times* an extract of the statement of Sir Arthur Michael Samuel on the question of the insurability of Indian pensions.

A good deal of interest has been created among members of the House of Commons by questions concerning the pensions of officers who have served in India and of widows of such officers. Sir William Davison declared in a supplementary question that neither Lloyd's nor any leading insurance company is now prepared to insure these pensioners,

and he quoted this in support of his contention that the security of these pensions has deteriorated since the issue of the Indian White Paper.

Sir Arthur Michael Samuel thereupon asked whether it was not a fact that no insurance company will insure any pension of any kind quite apart from the Indian pension, but the next question had been called before a reply could be given. Sir Arthur had since made the following further statement on the subject :

I am given to understand—I may be wrong that as far as Lloyd's are concerned there has been a rule in existence for the last nine years against the issue of pension insurance policies. I am told that this has no special connection with India, but that it is based upon general technical considerations as to the kind of contracts into which Lloyd's underwriters ought to enter.

Insurance companies, apparently, do not care for this type of business at all. They do not regard it as legitimate insurance business because of the difficulty of forming any reliable scientific estimate of the risk. Apart from life insurance all other risks covered are subject to a time limit, usually one year, though occasionally a short period of years is covered. The insurance of a pension offends against this principle.

There are no means of estimating the risk involved. In life insurance there are scientific actuarial means of estimating the expectation of life of the persons concerned. Now, as to the insuring of pensions there is not only the expectation of life but also the consideration of insolvency or default, which, if it is a risk at all, cannot be measured.

Ordinary insurance business is based upon the principle that losses have to be set against profits on individual risks. The rate of premiums charged is designed to work out, in the end, on the average, on the right side. In the case of pensions, or where there is the

possibility of insolvency or default, the principle of average would not apply. Claims would either be nil or, if default or insolvency were to occur, they would be universal. As I think these arguments can be confirmed there is ground for saying that the insurance of pensions is not true business but pure speculation. If, therefore, Indian pensions are not readily insurable they are in this respect in the same position as most other pensions. The reasons are of a technical and general kind, and they are not based upon apprehensions about future events in India.

Fire Prevention in Germany and in Czechoslovakia

Fire prevention is making headway in Germany. The following statistical summary shows a distinctly favourable trend :

	RM
Damage for August 1929	1,234,000,000
1930	8,080,000
1931	9,520,000
1932	9,920,000
1933	7,630,000
Damage for the first 8 months 1929	RM 95,010,000
1930	66,950,000
1931	66,220,000
1932	57,090,000
1933	47,410,000

Adequate legislation and persecution play their part in this picture, but it is well to remember that for years Germany has carried on an extensive campaign of educating the populace in prevention methods. It has borne results.

In Czechoslovakia, the opposite is true. Fire damages amounted, in 1928, to Kc 296,693,000 and rose in the following years :

	Kc
1929	339,090,000
1930	386,242,000
1931	319,517,000
1932	307,469,000

And the decline in recent years does not tell the true story. In 1931 and 1932 there were no important industrial catastrophes, explosions, accidents and the like. But, during

the same period, the frequency of fires on farms, largely of incendiary origin, rose alarmingly, so much, in fact, that it all but balanced the decline in the industrial branch. There is, apparently, a wide opportunity for educational campaigns in Czechoslovakia.

Foreign Companies in Germany

Foreign insurance companies have for many years been active in the German field. In obvious exaggeration of the spirit of Fascism, German insurance companies have recently suggested that the government restrict this competition. However, the authorities pointed out that German insurance companies did a sizeable business in foreign countries themselves. According to the "Federal Bureau of Private Insurance," premiums yielded by the business done by foreign companies in Germany totalled :

in 1932	Reichsmark	96,194,000
1931	"	112,666,000
1930	"	107,946,000

of which, in 1932,

life insurance shared with Reichsmark	46,076,000
fire insurance shared with Reichsmark	19,688,000
casualty insurance shared with Reichsmark	23,671,000

It is interesting to note that

Switzerland was leading with Reichsmark	64,335,000
Austria followed with Reichsmark	16,244,000
and Great Britain with Reichsmark	12,478,000
United States was in fifth place with Reichsmark	589,000

In comparison, the premium-yield out of the foreign business done by German companies totalled

in 1932	Reichsmark	49,366,000
1931	"	53,394,000
1930	"	63,272,000

There were 96 German insurance companies active abroad in 1932 as compared with 95 in 1931 and 88 in 1930. The indi-

cations are that foreign companies will go on with their German business as usual, and so will the Germans do abroad. There is profit for both of them.

Life Insurance Stake In University Training

Life insurance companies have a fundamental interest and vital stake in university training for business, according to Dr. Ralph E. Heilman, Dean of the School of Commerce of Northwestern University. He summarizes his reasons as follows :

Because of their fundamental education in economics, the students who graduate in business, believe in the rights of private property, freedom of contract and freedom of enterprise. They constitute a bulwark against red propaganda and communist socialism, and therefore are in favor of perpetuating the capitalistic system in which life insurance companies have such a stake.

Schools of business emphasize the importance of life insurance both in courses taken generally and in special courses and therefore promote a more favorable attitude by students.

These colleges cooperate with the chartered life underwriter movement because they recognize its great possibilities.

They furnish a source of supply from which to draw and train recruits, a source that companies have not taken advantage of.

They impress the function of risk and risk bearing in modern economic system, directly in insurance and indirectly in other courses, and the students therefore are sold on the idea of insurance.

Social Credit Agencies in Bulgaria

News items from Bulgaria are few and far between. Here is a report from as late as the end of 1931 according to which there were counted life insurance policies valued at more than 3,601,130,000 Lev of which about

one-half was owned by the very important social credit agencies and the other half by life insurance companies. These social credit agencies are a typically European institution and are found in various branches and professions such as teachers, employees, the army, etc., where some sort of group insurance is organised on a compulsory basis. As is the case with most small countries, life insurance was imported from the larger European countries, mainly France, Great Britain and Germany, slowly to be supplemented by domestic companies and agencies.

Forgotten Policyholders

In nearly every month's batch of agency magazines there will be found from two to five stories emphasizing the need for keeping in touch with policyholders. Usually the company's agent has sold a five or ten and forgotten the case. Ten years later the client is found to have purchased a great deal more insurance which undoubtedly could have been sold by the first agent at regular intervals. Why don't they go back?

The Late Mr. F. M. Garnett

In our last issue we published the obituary note regarding Mr. Frank M. Garnett, Secretary at Calcutta for the Royal Insurance Company. We publish here a brief record of his career and services to insurance.

Mr. Garnett was in this 53rd year at the time of his death. He entered the service of the "Royal" at Head Office, Liverpool, in January. His foreign service commenced in South Africa in 1907, when he was appointed Assistant in the Company's Cape Town Office. In 1909 he was transferred to Rangoon as Resident Secretary and in 1917 promoted to Bombay in the same capacity, where he remained until his appointment as Secretary at Calcutta in 1923.

Mr. Garnett was a man of outstanding ability and high social and personal qualities. He leaves behind his wife, and two daughters to whom we extend our deepest sympathy.

Personal Pars

Mr. Nalini Ranjan Sarker, President of the Federation of Indian Chambers of Commerce and Industry, was entertained by the Branch Manager and Workers of the Forward

Assurance Co. Ltd. (Bombay), during his recent tour in Mymensingh.

Mr. Sri Chaud Doneria, Managing Director of the Swadeshi Bima Co. Ltd., Agra, gave a dinner in honour of the visit of Pt. Sri Ram Bajpai, Scout Commissioner, which was attended by a large number of guests.

Sir N. N. Sircar, Advocate General of Bengal, formally opened the new premises of the Comilla Union Bank at 10, Clive Street, Calcutta.

The Hon. Raja Sir M. N. Ray Choudhury of Santosh, President, Bengal Legislative Council, presided over the "Silver Jubilee" celebration of the Bombay Life Assurance Co. Ltd. held at 10, Clive Row, Calcutta, on December 2, 1933.

Sir Byramji Jeejeebhoy presided over the Opening ceremony of the New Building of the National Insurance Company Ltd. at Wallace Street, Bombay, on December 5 last.

Dr. Pratap Chandra Guha Roy has accepted the Chief Agency of the New Insurance Ltd. for Bengal.

Dr. S. C. Roy, Life Manager of the New India Assurance Company Ltd. at Calcutta, is proceeding on tour to Chotanagpur and Orissa on the eve of the Christmas holidays. He will be back to Calcutta before the 1st January, 1934.

Mr. S. B. Roy Choudhury, Editor, "Clive Street," delivered a lecture on "Some Aspects of Indian Insurance" at the Calcutta College of Insurance.

Mr. T. N. Gupta, late of Bharat Insurance Co., Ltd. has been appointed Branch Secretary at Calcutta of the Nagpur Pioneer Insurance Co., Ltd.

Dr. S. K. Gupta, D. H. P., of Manjha Estate (Saran) and Mr. Ram Lal, M. A., H. M. C. have been appointed respectively Organiser for Chapra, Motihari, Monghyr and Gorakhpur, and Chief Agent for Chapra Gorakhpur by the Crescent Insurance Company Ltd.



THE INSURANCE & FINANCE REVIEW

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Editorial

The New Year Outlook

In extending our warmest wishes for a happy and prosperous New Year to our readers and friends, we are more than observing a time-honoured custom. The realisation of the fact that we have come to the end of an intolerable period of depression characterised by falling prices, unregulated production, languishing trade, narrow tariff policy, uncertain business profits, and the burden of indebtedness reacting on the international balance of payments and hampering the easy flow of money, is itself a great relief. At the end of 1932, we found the economic outlook extremely gloomy and had no hope of immediate revival to offer to our countrymen. But at the dawn of 1934, when we have been able to watch the improvements already effected in certain aspects in the process of remedying the crisis, namely, the progress made in raising

prices, adjusting indebtedness, reviving production and balancing national budgets, we are able to hold out brighter hopes for the immediate future although the recollection of many unfulfilled schemes and shattered conventions lingers still with us. The failure of the World Economic Conference in London was unmistakably foreshadowed in our leading article in January last. The blame of such a failure was laid at the door of America and President Roosevelt was accused of ruthlessness. Later reflection has, however, acquitted him of this mistaken accusation, and the world proved too sick for the wisdom of the world to find a cure. President Roosevelt has undertaken a mighty endeavour for the economic recovery of a big continent which also is expected to have its repercussions on the economic structure of the principal countries on the world, while Herr Hitler has been

devoting his fullest resources to the economic, racial and moral rehabilitation of sixty millions of the German people. Japan's withdrawal from the League, Germany's following suit, the establishment of diplomatic relations between Washington and Moscow, Italy's placid denunciation of the League are factors that demand our scrutiny and tend to make international co-operation rather hard to achieve. But in the medley of so many complex affairs and various tendencies, one feature stands out in bold relief, and that is the curve of economic recovery throughout the world. From the *World Economic Survey*, 1932-33, published by the League of Nations, we cannot fail to notice the unmistakable recovery that has already taken place in many countries of the world, although the Report points out that the problems of international economic co-operation yet remain to be solved.

In India, the situation was worse. The political unrest which apparently seemed to have subsided was only denied expression, except in a few terroristic crimes. The chain of Round Table Conferences, the visit of Parliamentary Committees to India, and the Joint Select Committee who are at present putting the finishing touches to India's constitution in London have none met with the approval of the people and have not come up to the popular ideals. The Indian National Congress suffered a great set-back at the death of three of its most stout devotees and untiring workers in the persons of Mr. J. M. Sen Gupta, Mrs.

Annie Besant and Mr. V. J. Patel. A period of great uncertainty and possibly wide upheaval awaits the political future of India. In the economic field, however, the period of chaos seems to have yielded to a regime of planned economy and concerted action both on the part of Government and individuals. The establishment of a Statistical Research Institute with the Government of India and a Board of Economic Survey with the Government of Bengal points to the Government's desire of the more scientific administration of the economic policy of the country. Moreover, the economic enquiry of India undertaken by Professors Bowley and Robertson also leads us to the same conclusion. Indian industries have suffered considerably in the depression, and especially at the hands of competing countries with depreciated currencies. The cotton textile import tariff was raised to the figure of 75 per cent. *ad valorem* which was designed to shut out Japan from the Indian market. This resulted in a tripartite conference in which the British and Japanese Delegations sat with the Government of India for evolving a judicious and equitable reciprocal trade agreement. We do not propose to enter into those details of proposed quotas and prohibitions here which we have profusely given in our columns during the last few months. The Conference has resulted in a trade agreement supposed to be mutually advantageous to both India and Japan. The effects of the Ottawa Agreement was realised both in England and

in India and the trade of continental countries with India suffered considerably during the year as a result thereof. It is a happy sign that economic reasoning of the present day is ceasing to be wedded to any particular system of production or organisation and is being characterised by generous liberalism. "Economic Planning", the familiar phrase of present-day economics, is merely a verbal variant of socialism. The crisis had its good effects too. Out of chaos has emerged planning, and it augurs well for the future. Economics has received a new definition as the science of crisis.

The trade revival, as we have pointed out above, is already in sight. It will not take us more than a few months to realise its beneficial effects. A happy and prosperous time is before us indeed. So the New Year wishes seem to be very real wishes and are sure to bring us nearer to prosperity everyday. With these thoughts we bid goodbye to 1933, and "ring in the year that is to be."

Raja Rammohun Roy

During the Christmas tide representatives of the various religious creeds and sects all over India assembled at Calcutta to pay their respectful homage to the revered memory of a great Indian who has come to be universally recognized as the maker of Modern India in the realm of thought and culture. He was the torch-bearer of truth and the prophet of unity among things which were at that time

considered irreconcilable. He had a romantic longing for the freedom of thought, and undertook the herculean task of realising for himself and for his countrymen those environments which alone could promote independent thinking. A pioneer of social reforms, a zealous advocate of religious toleration and a herald of education, the Raja stands out as the greatest personality amongst his contemporaries. It would not be out of place to mention here that the Raja early realised the benefits of life insurance and asked his countrymen to benefit by taking out insurance policies on their lives. He was a natural leader of men, and a trusted guide of his followers. His achievements in the field of religion, culture and social reforms are legion and do not admit of enumeration here. The Raja was an untiring pilgrim in his quest of truth till he achieved it and bequeathed it to his posterity as a glowing beacon. In the shadow of a century that has passed by since his death, and in the heat of the religious controversies of the several decades immediately following his death, the published works of Raja Rammohun Roy and his leading ideas and philosophy could not be conveniently put together although several attempts were made at that. We congratulate the *Bangiya Sahitya Parishad* on their endeavours to make the intellectual legacy of Rammohun accessible to a wider circle of readers than has hitherto been the case, and also to embody it in as much comprehensive and authoritative a form

as it is possible for the "diligent" research and careful compilation of our scholars, Messrs. Atmal Home, Nirad Chaudhuri and Brajendra Banerjee, under the guidance of Sj. Ramananda Chatterjee.

We do not, however, consider it necessary to humiliate contemporary Bengal in order to appreciate Raja Rammohun Roy. The Raja was a towering personality, and by dint of his

superior gifts of imagination scholarship and enthusiasm, became easily the most luminous figure by whose brilliance the smaller luminaries were completely eclipsed. He was indeed a great pioneer and was to the nineteenth century India what Swami Vivekananda was to the twentieth. Let our young generation imbibe his idealism and energism for the realisation of our goal.

FOREST FIRE PREVENTION

After seeing a hunter light a cigar and flip the match thoughtlessly into dry grass his companion wrote the following paraphrase of one of Kipling's best known poems :

If you can toss a match into a clearing,
 And never give a thought to put it out,
 Or drop your cigarette butt without fearing
 That flames may kindle in the leaves about ;
 If you can knock the ashes from your briar,
 Without a glance to see where they may fall.
 And later find the forest all afire
 Where you have passed—with no one near to call ;
 If you drive your auto through the working,
 And cast your stogie stub into the slash,
 Unmindful of the danger therein lurking,
 Or homes or happiness that you may smash ;
 If you can leave your campfire while 'tis glowing,
 No thought of industries that it may blight,
 Or of the billion saplings in the growing,
 Turned into charcoal ere the coming night,
 If you can start a fire beneath a brush pile
 When the wind is roaring like a distant gun—
 You surely should be jailed without a trial ;
 Or confined in some lunatic asylum !

("The Bulletin," Toronto).

Turkey – New And Old

BY SASADHAR SINHA, B. SC. Econ., PH. D. Econ. (London)

It has been said that of all the Central Powers Turkey came out best in the last war. It is quite true ; but, if it is meant to be a compliment, it is at best left-handed, for it sounds as though she did not deserve her success. Indeed, it would be a complete misreading of history to think that Turkey's emergence out of the post-war tangle was fortuitous ; that the war-weariness of the Great Powers turned the scale in her favour. This judgement would have been completely justified, had Turkey been a mere on-looker. The fact that Turkey went out of the war first showed, if anything, that she was completely exhausted. Although war-weariness was general, it had, for obvious reasons, affected the Central Powers more than the Allies ; nor was there anything in favour of the former to offset the moral havoc created by a devastating defeat. For five long years Turkey fought a grim fight against the enemy at home and abroad. It is a tale of success and failure. In the end Turkey won through, because the moral fervour of the nation had been roused. She was fighting for a just cause. Her very existence was at stake. The proclamation of the Turkish Republic (October 29, 1923), the tenth anniversary of which was celebrated a little while ago, was the fitting beginning of an epoch in Turkish history.

In the pre-war European diplomacy Turkey had all along been playing a losing game. Her territories in Europe had gradually shrunk till there remained little beyond Constantinople. The "Sickman of Europe"

would have been packed off bag and baggage long ago but for the traditional jealousy of Russia and England. Turkey remained in Europe on sufferance. With the collapse of the Russian Empire during the war, it seemed that the time had come for the realisation of the dream of Palmerstone and Gladstone. Turkey was to be banished from Europe for good.

The Treaty of Sevres (1920) decreed the dismemberment of Turkey. England and France established themselves in Iraq, Trans-Jordan, Palestine and Syria. An Armenian republic was created under Britain's patronage. The Greeks were encouraged to stake their claim in Anatolia. Constantinople was under the allied army of occupation. The Straits were to be demilitarised. France and Italy were permitted to have their respective spheres of influence in Asia Minor. Turkey was to be driven into inner Asia.

The very enormity of this settlement released forces which were soon to upset this delicately poised apple-cart. External aggression hardened Turkish resistance. The nationalist movement was born. The British intervention in Russia and the setting up of the Erivan republic in Armenia threw a bridge between the Turks and the Bolsheviks. The British withdrew from Russia and the Armenian republic finally became incorporated into the Soviet system. With security at her back and with Russian hold in money and ammunitions, Turkey could now turn her attention exclusively to Anatolia. The Greeks were driven out of Asia Minor.

The unity of the allied front had already been undermined by the separate dealings of the French and the Italians with Angora. The Turks were pressing towards the Straits. The advance could no longer be stayed by the mere threat of allied action. The situation was saved by the conclusion of the Mudania Convention (1922).

Time had brought its nemesis. The Treaty of Lausanne (1923), which followed shortly, modified the Treaty of Sevres beyond recognition. It has been aptly called the Charter of New Turkey. The Allies had realised that not only could they not enforce the former, but, what was worse, alliance between Turkey and Russia was one of those *imponderables* which could be ignored only at the gravest risk. Out of sheer desperation Turkey could go over to Communism with its incalculable consequence on the Mohammedan world in which both England and France were interested. Turkey received substantially what she had demanded. She regained control over Constantinople and eastern Thrace, the Greeks having evacuated the territory. Anatolia had been purged of foreigners. The Capitulations, which deprived Turkey of her sovereignty over foreigners residing in Turkey, had gone. A satisfactory settlement of her foreign debts had been reached. They were distributed proportionately among the constituent parts of the former Ottoman Empire. On two points she had to give in. Her claim for complete sovereignty over the Straits was not fulfilled, nor was her claim over Mosul recognised. Shorn of her Asiatic possessions, Turkey henceforward became a small country. But what she lost in bulk was gained in compactness, both territorially and racially. According to the Lausanne Treaty, the Greek subjects of

Turkey had been compulsorily repatriated in exchange for the Turks residing in Greece. A fruitful source of racial antagonism had thereby been eliminated.

Mustapha Kemal, the maker of Modern Turkey, had seen with the unerring eye of a genius that Turkey's territorial ambitions in the past had been one of the main causes of her decline. Her resources in men and money had been drained away to defend the dignity of the Empire. Her economic and cultural life had languished. The trade and business of the country had passed into the hands of foreigners. Through thick and thin the two objects Kemal aimed at, therefore, were first, the consolidation of Turkey on a racial basis, and secondly, the modernisation of the country in all the essentials of life. The first had been attained by the Treaty of Lausanne. The second task was more arduous, but the Gahzi, the Victorious, had by a succession of masterly strokes laid down the foundation of a modern state. Kemal is a realist *par excellence*. He is never hurried into precipitate action. All his moves are slow and calculated. Consequently, when he began the task of rebuilding the nation, he began by acknowledging the sovereignty of the Sultan, but when the latter had thoroughly discredited himself in the eyes of the people, he did not hesitate to proclaim the Republic. Even here he moved cautiously. The susceptibilities of his co-religionists had to be respected. By clever hair-splitting, the function of the Caliph was abstracted from the head of the Turkish State. The Sultanate was abolished, but the Caliphate was given a fresh lease of life. Eventually this fiction, too, disappeared, when the Caliph's demand on the exchequer of the State became too exacting. Subsequent events have led to the complete secularisation of the State.

While Europe waited with ill-concealed glee for a conflagration to burst, Kemal went quietly about his business. It is curious to note how little protest his reforming zeal evoked in the country. The emancipation of women and the Romanisation of the Turkish script are their logical sequel. The first has been accompanied by the removal of the veil, the spread of education, the introduction of civil marriage and monogamy. The change of the script, on the other hand, was the first step towards the removal of illiteracy, because so far the Arabic script had hampered easy access to knowledge. With it followed the simplification of the Turkish language. This was imperative for the cultural independence of Turkey. The preponderance of Arabic and Persian words in the Turkish language made the growth of an indigenous culture difficult. The decree against the wearing of the Fez, at first sight so puzzling and even superficial, arose out of a similar motive. It signified a clean break with past associations. Politically, it meant the disappearance of the visible symbol of difference between Moslems and Christians destined to live in close proximity. Last but not least is the thorough modernisation of the defence of the country.

No progressive State can neglect its economic foundations. The new republican era has had important consequences on the economic life of the country. By Western standards Turkey is poor. Her staple industry, agriculture, is primitive. The Turks have no business tradition. The departure of the Greeks and other foreigners from Asia Minor has thus been a not unmixed boon. But the rulers of the country have not thrown up their hands in despair. Large sums have been voted for purposes of irrigation and the

development of railways is being energetically pursued. Their effect on agriculture as well as on the exploitation of the minerals of the country is bound to be considerable.

In foreign policy Turkey, under Kemal's leadership, has consistently sought friendship with foreign powers, the latest example of which is the *reapprochement* with Greece, once her bitterest enemy. Turkey is a member of the League of Nations. She is on terms of the greatest cordiality with Russia, her most powerful neighbour and ally. Indeed, in this lies the key to her foreign policy. On the other hand, she has completely renounced her imperialist ambitions, nor does she aspire to the leadership of the Moslem world in its struggle for freedom. She would welcome the emancipation of all Mussulmans, but would not embroil herself in the affairs of other countries—a hard won experience. Even in her own interest Turkey needs peace.

Will the Turkish Republic endure? Will Mustapha Kemal, the principal actor in the Turkish drama, rest content with the indirect rule of the country? Will he not set up a Kemalali dynasty? These and similar questions, however important at one time, have lost much of their former force. Although personally ambitious, Kemal's main ambition is to serve his country. For, if he wanted, he could long ago have usurped the vacant throne of the Ottoman Empire, but instead he deliberately kept in the background to lead the country to its ultimate destiny. The ten years of republican rule have convinced his countrymen of his wisdom. They have complete faith in him. He has resuscitated a moribund nation and stayed the progress of further enslavement of the East. The main danger to Turkey's future lies elsewhere, above all in the uniqueness of a successful dictatorship. But there is little cause for despair. A whole generation is being brought up under the halo of great achievements. A new culture is transforming the life of the Turkish people in a myriad directions. It is here that the new Turkey parts company with the old. As in every progressive country, her greatest hopes lie in her youth, who will shoulder the burden of responsibility.

The Need for Consumers' Co-operation

By MONINDRA MOHAN MOULIK

A PROBLEM OF INDUSTRIAL ORGANISATION

The subject I choose to discuss here today is fundamentally a problem of industrial organisation. Although that particular economic institution which has long been characterised as "Capitalism" lies at the root of the problem, I shall not proceed, in the first instance, to analyse the evils of the system except in so far as it directly hampers the realisation of the most fundamental needs of mankind. The "primary defect of the capitalist system of production, from the angle of the total good of the community, is the fact that production is unrelated to demand. It is the greed of the middlemen, the entrepreneurs, which creates incessantly a wide gulf between the interests of the producers, that is to say, the actual instruments of production, on the one hand, and consumers on the other, thus limiting the scope of co-operation amongst them upon which public welfare depends so much. I shall not attempt to digress upon the broad characteristic of modern industry which is the almost absolute separation of management from labour,—a characteristic which is responsible for the intervention of State in the regulation of labour conditions and also profit in some cases. The persistent divorce of the conditions of demand from the plan of production renders the price for labour an "abstraction of labour-power" from the labourer which is unrelated to any moral purpose. Herein the State comes in with all the familiar theories enunciated by Marx, Engels, the Fabians, and Lenin. So far as these conflicts between the labouring class,

and entrepreneurs are concerned, State-intervention is almost universally present. But in the sphere where the interests of the producers and the consumers are conflicting, State-intervention is now scarcely in sight, specially in those countries where industrial organisation is not so perfect as is provided by the "second industrial revolution".

PROTECTION FOR THE PRODUCER

It is now a familiar phenomenon in India to find that manufacturers of all and sundry goods have been most zealously pleading for and receiving in some cases protection of the State. The Government have appointed a Tariff Board who investigate into the conditions of demand, supply, market and such other things allied with the particular industry and either grant or dismiss the claims of the same for protection. Generally the protection is sought to allay foreign competition which monster is kept at bay by raising adequate tariff walls against it. Foreign competition is so subtle a term now-a-days and can take place in so many subtle ways that laymen are apt to be misled as to the real claims of any particular industry to protection. Dumping, currency depreciation and quotas all point to the inevitable conclusion that mercantilist dogmas about trade and national dividend count no less at present with the dictators and democracies that they did with the theoretic economists and politicians of the early eighteenth century. As a matter of fact the provision of protection to Indian industries is proceeding apace, and the

Government have not been slow to recognise the claims of certain indigenous industries which are too much in need of protection. Obviously, the Government do not stand to lose by such a measure so long as the British goods are not affected by the general tariff by virtue of a preferential treatment achieved between the two countries both before and after the Ottawa Agreement. On the other hand, a high protective duty yields considerable customs revenue to the State without hampering the British industrial and commercial interests. This is the panorama of industrial expansion of the country. Herein anybody would find a remarkable collaboration of the State with a few industrial institutions which being in the sphere of private enterprise do not generally look much after public welfare. The "laymen" to whom I have already referred can do nothing but watch in amazement the stage-managed fight for protection by industrialists, and are carried away by the slogans of "swadeshi". These laymen constitute the bulk of consumers and as such the public are not taken into confidence by either the Government or industrial leaders. The Chambers of Commerce represent the interests of industries, individually and collectively, and the Government are satisfied with an increase in revenue and the protection of British trade. Only the consumers watch their grave dug by that remarkable dual combination. What better instance can there be to illustrate this point of view than a reference to the existing cotton and textile tariff reigning in India?

An *ad valorem* duty of 75 per cent on cotton and textile goods of foreign, other than British, make is really a landmark in the tariff history of India. I do not propose to enter into the details of the claims of the indigenous cotton industry for such a costly protection

from the consumers' point of view, but shall content myself with pointing out the issues involved therein. There are various other industries in India that are enjoying protection and distributing their profits amongst a few shareholders and capitalists. The profits so largely contributed by the consumers in general are completely ignored when the time comes to reward them for the sacrifice they had previously undergone. There also emerge certain conditions in the field of manufacture and trade that the lowering of price is found to be incompatible with "business principles." Thus in no time we find our industrial structure involved in a vicious circle the evils of which are engendered by the capitalistic system of production. It is only recently that the Commerce Member of the Government of India introduced in the Legislative Assembly a new Tariff Bill designed to offer protection to several Indian industries which are "suffering at the hands of countries with depreciated currencies." To illustrate my previous point of view, namely, the encouragement of preference to British goods by the backdoor, it would be appropriate here to quote the Commerce Member who said: "The Government could have taken this action under the Safeguarding of Industries Act, but did not do so in view of the fact that under that law they would have to discriminate against certain countries." This is expected to yield about twenty lakhs of extra revenue to the Government. So, the examples could be multiplied. Apart from the question whether such discriminatory or indiscriminate protection as has been granted by the Government to indigenous industries will lead ultimately to their survival even if the consumers are ready to sacrifice, the system is open to the very pertinent criticism

that it does not possess any regard for the interests of the consumers and the community in general.

PROTECTION FOR THE CONSUMER

This inevitably leads us to the consideration whether the State has a similar obligation towards the consumers for their protection as they have towards the producers. The basis of society is federal and consumers and producers are but two groups among which justice has to be secured under any circumstances by the State for the justification of its existence. Evidently the State which owes its sovereignty and continued existence to the consent of the people, has equal obligations towards the groups of producers and consumers. We have the authority of Prof. Harold Laski to support this view. He says: "The interest of the State in an industrial system is the protection of the producer, whatever his position in the industrial hierarchy. It is called to his protection because he is a citizen, and cannot, upon the plane of civic life, function as a citizen unless certain qualities are inherent in the process of production. *But the State is bound also to the protection of the consumer.* He lives because certain services are available to him. He needs continuous access to certain commodities without which life is impossible."* Prof. Laski has classified the industries into principally three categories. In the first category fall those industries which are urgently affected by a public character and are monopolistic in nature. Their operation is essential for the welfare of the community. To the second category belong agriculture where the scope of private enterprise is almost unlimited, although the interest of the State is paramount. And commodities in the third

category are those that are not invested with a public character, and here the problem of profit does not directly concern the State.

NATIONALIZATION A REMEDY

It is with reference to the industries in the first category that we are concerned most. Not only the State must ensure such a supply of those commodities as will serve the total need of the community, but also it must see to their quality which ought to be adequate for the maintenance of life. Thus the State has a double duty of redering adequate supply, that is to say, keeping the price within reasonable limits without deteriorating their quality. This leads Prof. Laski to observe that: "The failure to secure these services being fatal, it is obvious that the State cannot risk their production by private enterprise. Nor can it even risk their distribution save under such safeguards as will ensure that no section of its citizens is deprived of access to them." As the operation of these industries is essential to the welfare of the community, they have to be operated for use and not for profit. There must be the maximum of continuity in the service they afford. It is very important to note here that the provision of this service requires public regulation of a very stringent nature. Prof. Laski concludes: "There must be stringent public regulation, *not only of the conditions of production, but also of the selling price of the commodity produced*; and it may even be necessary to maintain the production of such commodities when there is little prospect—as in research, for instance—of a measurable economic return. In the first category the only possible method of Government is the *nationalisation of the service involved*."

* Grammar of Politics, pp. 435.

Nationalization would eliminate the middlemen as a class. It would also prevent prospecting, profiteering and speculation, and naturally maldistribution of the commodities upon the production and proper distribution of which depends the equilibrium of our social and economic life. It is a suggestion which seems apparently to attack the very basis of capitalist society. But the suggestion is not a very sweeping one, for, nationalization is advocated for the industries falling under the first category only. The sphere of private enterprise is limited only to this extent. As for the remaining two categories of economic enterprise, the individual profiteer is given a free chance. Thus the scheme reduces itself to a merely limited nationalization programme.

I shall conclude my article with a few remarks on the possibility of consumers' co-operation and organisation. It is high time that the consumers should try to weigh in the balance of economics wherein lies their maximum interest. They should organise Societies, Chambers and Bureaus through which they should propagate their points of view, and make representations before and send deputations to all responsible agencies for the formulation of our national economic policy. Space does not permit me to discuss the subject at a greater length, but I invite the attention of our publicists and economists to these inherent draw backs in the structure of our economic institutions.*

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Insurance and Islam

By M. S. ISLAM, M.A., B.L., B.C.S.

There is a strong prejudice amongst the Muslims against Insurance. Some think it is against the *Shari'at* (canonical law) of Islam ; others go further and believe that it is a sin to insure or to abet one to insure. I know there are Muslims and they form the majority of the community who would at once dismiss you if you have the cheek to broach the subject of Insurance to them and would turn a deaf ear to any talk on it saying that Insurance is not sanctioned by Islam. But the wonder of wonders is when I see a Muslim who has to his credit the highest degree in English education and is at the same time well-versed in Persian and Arabic, who holds withal a high and responsible post under the Government thinking that Insurance is a sin and believing that a relation of his who has taken to insurance business is doomed to perdition on that count. Prejudices of this nature have set up a strong barrier against Insurance.

The arguments advanced by Muslims who oppose Insurance are as follows,—Insurance does not find mention in religious books nor is it sanctioned by religion ; Insurance is objectionable as it is a kind of gambling, it is objectionable as its object is to make an unfair and illegal gain. Contentions like these betray a lamentable lack of knowledge about the science of Insurance. I think amongst the objectors there are few or none who have any idea about Insurance.

These prejudices are born of ignorance. Any one having an idea of the elementary principle of Insurance can easily see how

unsound the contentions are. I shall deal with these points while I discuss the principles of Insurance in relation to the principles of Islam. I can, however, dispose of the first contention here. While there is ignorance, prejudices of this nature are nothing unusual. There was a time when Insurance had to face opposition from a section of the Christians who would say that Insurance was a form of gambling. Even today there is a religious sect called the Dunkards who object to Insurance on the ground that it is not sanctioned by Bible or at least it is not clearly enjoined by the Bible as a religious duty. There is a strange coincidence between this view and the view held by Muslims who oppose Insurance. The science of Insurance is a product of the modern times. Its age will not be more than three hundred years. So, it can not possibly be expected that it will find a place in any of the religious books of Islam. But because of that or because it is a new science, Islam cannot be opposed to it. Islam is not so static a religion. Islam is a great dynamic force. Of all the religions in the world Islam, while anchored to fundamental principles, Eternal Truth, the belief in one God, has the most wonderful adaptability to change and evolution. That Islam should be a living force undergoing transformation, reformation according to the needs and exigencies of time was what was contemplated by the Prophet of Islam. "In every century for the guidance of the Muslims" says a Hadith of the Prophet "Allah will send one who will give fresh orientation to their religion."

PRINCIPLES OF INSURANCE IN RELATION TO THE PRINCIPLES OF ISLAM

Islam is a rationalistic religion appealing to reason and simple and natural sense of humanity. It is because of this Islam is still making rapid strides and gaining new adherents in strange lands without any missionary movement or attempt at proselytising. Islam stands for reason. It bespeaks our ignorance of Islam if it is said that because a thing is new, it is tabooed in Islam. The only test for a thing to be acceptable to Islam is to see how far it conforms to the fundamental principles of Islam. I shall now subject the science of Insurance to an examination of this nature.

INSURANCE

Insurance is a purely scientific subject. It is no Black Art or wizardly science as some people think it to be so when they see the magic-wand of Insurance turning a sum of Rs. 100 into Rs. 10,000 and paying Rs. 10,000 to the heirs of the assured who died on payment of Rs. 100 only as premium. Yes, it is a magic, a marvel not of any black art but of mathematical science. The bedrock of Insurance is mathematics. Insurance has proved what lasting good the science of Mathematics has done for suffering humanity. A subject that has its foundation in science, on hard precise matter-of-fact cold calculation, that is based on well-known and authenticated data can have no sorcery or hide-and-seek about it. Nor can it have any element of chance or speculation or gambling in it.

INSURANCE AND WAGERING

Gambling or speculation and Insurance stand poles as under. In gambling or wagering either party may win or lose, there is a

great uncertainty hanging over it till the issue is decided, but in Life Insurance there is no element of uncertainty, it is certain and definite that the insurer must pay the insured in the event of the maturity of the policy or of the death of the assured either of which events are bound to take place. In the second place if either of the contracting parties may win but cannot lose or may lose but cannot win, the contract cannot be a gambling contract. I explain it with reference to the subject of Insurance. In gambling or wagering, of the people who stake money only one party is benefited while others are ruined whereas Insurance is a benevolent institution in which every one who joins it is benefited. It is a mutual benefit society, each member of the society shares the loss, the misfortune that befall a member of the society. It is more than this. It is not only that every one of the persons assured by a company is benefited, the assurer, the company too reaps a benefit. It is the belief of some people that when an insurance company has to pay heavy sums in settlement of claims, in some cases thousand times the money paid as premium the company is put to a great loss or cheated. Ideas like these have been responsible for the growth of an unhealthy mentality amongst the section of the public who look upon life assurance as one of the easy ways of making money or a shortcut to huge fortune. Ignorance or false notions of this type are also liable for the dishonest and fraudulent insurance cases in which people get up insurance cases on misrepresentation or false impersonation. The spread of education in the ideas of Insurance may bring about a better state of things in future, but as it is now, ignorant and false notions have been doing a great harm to the

cause of Insurance. These people do not know that the death of the assured that has now happened, the death that gives rise to a heavy claim or the fire that has turned to ashes a factory or a warehouse and means a payment of lakhs by an insurance company, all these and similar contingencies were very well foreseen by the Prophet of Insurance as when he calculated the net premium on the basis of the Mortality Table, he could foretell that such a death would happen and consequently a claim would arise or calculating on the theory of probabilities or the law of average he could prophesy that a fire might break out at such a period of time. All these contingencies he had already taken into account while calculating the premium and neither take him by surprise nor cause any such loss to him as it is supposed to do by the laymen. In fact, the account of the assurance companies shows that their mortality experience is no more favourable than what they expected it to be, that is plain language, the rate of mortality amongst the assured is less than the rate in the Mortality Table on the basis of which they started.

INSURANCE AND THE ETHICS OF ISLAM

In this connection I should ask what is the motive that actuates one to insurance. The cardinal principle in the Ethics of Islam is it that the conduct or the action of a man is to be judged by the motive 'Actions will be judged by motives' says a famous Hadith of the Prophet. The object of assurance cannot be to make an illegal gain or an unfair bargain or to earn an idle income. Herein lies another point of difference between Insurance and speculation or gambling. The money that is won in gambling is won idly

whereas in insurance one buys a policy for full consideration, paying gradually hard-earned money that almost equal and in some cases exceed the sum that he or his heirs get back. Some may think that one goes in for insurance so that one's heirs might acquire a mass of wealth when one dies just in the wake of insurance. Would such one court death after being assured? Is life so cheap? I think the poor beggar who is dragging on a most miserable life will not desire to "shake off this mortal coil" any moment in spite of all the worries? Moreover, whatever one may think one cannot die before the fated hour comes but even if one courts death and commits suicide within a certain period after assuring then the policy becomes void. There are some who think that insurance is a very easy method wherein by some ruse or trick one can gain thousands of rupees on payment of a small amount only. All that I can say about these people that they must be living in fool's paradise. I write about these notions as I find not only Muslims but a section of the non-Muslims too is labouring under such misapprehension and misconception. The object of Insurance is plain and simple,—it is saving and providing for one's children and dependents against unforeseen contingencies. According to Islam both these objects are laudable and commendable. I shall advert to these points later on.

While considering the motive for insurance there is still one more objection that calls for examination. Objection of this nature obtains not only amongst the Muslims but amongst the Hindus and Christians too and has also been voiced by no less a personality than Mahatma Gandhi. It is asked, what does this life assurance mean? Is it waging war against death or assuring one's life against

death? It is not so, no one would be a fool to think so, as every one knows that death as the inevitable end must come some time or other. Life assurance is assuring the life assured of a provision for himself or for his children in the event of his death. It is further questioned—what does this provision mean while there is the eternal and inexhaustible Providence of God? Life assurance betrays a lack of faith in the Providence of God. It was a consideration of this nature that led the Mahatma to allow his life policy to lapse. The supreme beauty of Islam lies in the fact that its principles and tenets beautifully respond to the simple as well as the rationalistic reasoning of the human mind. Its very name connotes absolute resignation or submission to the will of God, to His infinite Power, Mercy, and Providence. But this resignation to the will of God must not be inert or passive, it must be active as we find it to be the recurring theme throughout the Holy Qur'an that this Faith (Iman) must always be accompanied by good and pious actions ('Aml-i-Saleh). In the Hadith too there is a saying of the Prophet into which is condensed the whole truth about this resignation; 'Resign yourself unto God but tether your camel.' It reveals an abundant faith in the greatness of God, if we use the intellect with which He has endowed us and with its aid devise means for provision against unforeseen happenings. We shall only be carrying out his will by so doing. That that is His Will can easily be seen if we consider the birds and the animals in whom we find the instinct to make provision against bad weather and rainy days. Instead of denoting any lack of faith in the Providence of God I think that insurance against adversities and calamities which are in the natural ordinance proclaims the marvel of

human intellect and thereby the wonder of God's creation.

I should now analyse Life Assurance into its constituent parts after which I shall consider the contract by which its product is sold to the public and consider whether any of its elements is repugnant to the spirit of Islam. Life Assurance is broad based on actuarial calculation. These are the main items that go to make up life assurance: (i) A net premium calculated on the Mortality Table, (ii) a loading to the Premium for office and field work expenses (iii) a further loading for giving bonus on with profit policies, (iv) profits earned on investment of the premiums collected. I think there is nothing objectionable from the Islamic point of view in the first, second and third items. As to the fourth item it may be contended that it militates against the principle of Islam as interest earning is prohibited in Islam. I should state it clearly that interest is the main source of profit to the company. Interest earning is the very life blood of Insurance. Islam sternly prohibits usury (Qur'an, 2:275, 3:129, 30:39). 'O you who believe' says the Qur'an 'do not devour usury, doubles doubled' thus clearly prohibiting usury and compound interest. The subject whether it prohibits interests and interest of any kind is a debatable one and I think it is out of place here to enter into discussion of it but it may be asked how can I, in the face of this prohibition justify and support Insurance which has its main stay in interest earning? Islam stands for reason as I said at the outset. If there has been no bankruptcy of reason and intellect in Islam and if one would bear with me for a while with reason as one's guide I shall show even then also Islam lends full support to Insurance. For a consideration of the point I should turn

to a discussion of the contract of Insurance with which the point is mixed up.

CONTRACT OF INSURANCE AND ISLAM

Islam attaches great value and sanctity to contract and agreements and the Qur'an enjoins upon the solemn duty of honouring and fulfilling contracts and obligations under a contract. The main criterions in order that a contract may be acceptable to Islam are that the contract must inure to the benefit of the contracting parties and the terms embodied in the contract be such that the contracting parties share the profit or the loss as the case may be. I have shown above how Insurance answers these conditions. I prove it with reference to the contract of insurance. Life assurance contract is supremely simple, open and straightforward. The basis of the contract is the proposal made by the proponent, the proponent must make a clean breast of every fact. The proponent must state all facts relating to his health, his family frankly, never mincing any matter, suppressing not a bit of it. He must place all the facts before the company because it is not for him to judge which facts the company should or should not know. The principle of *caveat emptor* of the law of transfer does not apply to the contracts of insurance as such contracts are classed with contract called contracts *uberri mae fidei*, contracts which are not merely satisfied with absence of fraud and misrepresentation but call for the greatest amount of good faith on the part of the proponent. A contract with such pure and solemn faith and fidelity for its foundation cannot but find favour with Islam. Now what are the stipulations in such a contract? Take up any Insurance policy and you find how simple they are: Whereas A has lodged with the company B a proposal for an

assurance on his life, B in consideration of the payment of the premiums will, on maturity of the policy or in the event of the death of A, pay to A or his assigns the sum assured with profits. Such are the terms in case of a policy with profit, no profit being mentioned in case of without profit policy. It is clear beyond doubt that a contract for Life Assurance does not contain any stipulation to pay any interest whatsoever. So there can be nothing objectionable in it from the Islamic point view. I may be asked what is that thing called profit? It is bonus that is liable to variation or rather is dependent upon the surplus or success that can be acquired by a company. If there be no surplus, there will be no profit. The principle of the *Shari'at* of Islam is that a profit or interest that is fixed by contract, irrespective of the loss that may be sustained by any of the contracting parties, a profit or interest that is not a subject to variation proportionate to the gain or loss of the contracting parties, such a profit or interest is objectionable. I should say that the profit in a life insurance policy exactly fulfils the conditions as laid down in the *Shari'at* of Islam. It may be contended that the payment that an insurance company makes on a life policy is partly out of the interest that is earned. May I ask whether the sale that takes place between a Muslim vendor and non-Muslim vendee vitiated according to the tenets of Islam because of the fact that the money paid by the vendee includes some amount earned by him as interest. All that we are to consider is whether the stipulation in the contract is for interest and the contract of Life Assurance contains no condition for the payment of interest and as such it cannot but be countenanced by the *Shari'at* of Islam.

MUSLIMS' NEED FOR INSURANCE

I have considered the principles of Insurance in relation to the principles of Islam and showed how fully they harmonise. It is a pity that the benefits of such a science with such immense potentialities for the good of humanity have not been availed of by the Muslims. I believe no community stands so much in need of it as the Muslim community does. I cannot exactly ascertain the cause of it, is it because they were once the members of the ruling race or is it due to their temperament or tradition, it is a fact that the Muslims are proverbially extravagant and spendthrift. It is invariably found that a Muslim would live in higher style and spend more lavishly than a Hindu having the same income as that of the Muslim would do. But whatever be the cause of it, this much I can say that such habits are severely denounced by Islam. 'Surely those who squander wealth' says the Holy Qur'an 'they are the companions of the devil' (17 : 27). When you are blest with wealth you have no right to waste it. You owe a duty to your children and to the community at large. The highest virtue according to the Prophet is charity and that is defined as providing for one's children and for the needy and the poor. When one wastes wealth, one wastes human energy. Wealth connotes human energy. To explain it by a simple illustration : one works for the whole day and earns a rupee, the rupee is token of the energy spent by the man during the day. In that silvery circle is stored up so much human energy and if you can afford to keep it by, you store up so much energy which may be utilised for good purpose when occasion for it arises. By entering into the contract of life assurance, you store up so much energy in

the storehouse of your assurance policy ; so much energy may be released to be of immense service to you in times of need or distress or to befriend your orphan children when you are no more in this world. Life assurance is said to be capitalisation of the value of life. I would rather call it the conservation of the vital energies, present or potential. To return to the point I was discussing. No community stands so much in need of insurance as the Muslim community does. But if statistics be looked into, it will be found what little insurance they carry. I would advise every Muslim, who can afford it, to have his life assured and they will be thus doing good not only to themselves but to the community and the country at large, for so much wealth saved is so much energy saved and that energy may be harnessed for the good of their dependents or for the good of the country. Leaving children without any provision mean saddling the community with a liability, for, after all, the helpless orphans will have to draw upon the resources of the community for their maintenance.

If we turn to the business of Insurance, therein also we find that their prejudice and their indifference reflected. Of the 136 life assurance companies that are constituted in India and are now operating in India, I do not know of any single company that has been started and conducted by Muslims. Only very recently one Insurance company has been started mainly through Muslim endeavour but that has not started the Life Department as yet. If we turn to the management of these insurance companies, I know of only one Life Assurance company, out of these 136, the Managing Agency of which is in the hands of a Muslim. Amongst the Managers or Secretaries of these companies as far as I know there is

not a single Muslim. Amongst the field workers, chief agents or ordinary agents the number of Muslims can be counted on finger ends. Muslims as yet have no idea how far the insurance agency business is paying and profitable to a really capable man. Members of other communities are working in thousands—the estimated number of such workers being 150,000 and earning thousands of rupees by insurance agency work. I think what I have written above is sufficient to dispel the prejudice Muslims have against insurance and I hope these lines will bring home to them the urgent necessity of the starting of insurance companies by Muslims and also that Muslims should take to insurance agency work, as many of them as can take it up seriously as a profession. I may point out to the managers of Insurance companies that the paucity of Muslim agents is one of the reasons why so very little business is done amongst the Muslim as insurance agents can secure business best in their sphere of influence and amongst clients to whom they can talk in a way that would appeal to them. There are fields of business amongst Muslims into which Muslim agents only can penetrate.

I would further advise Muslim young men who have graduated with mathematics as one of the subjects to qualify themselves as Insurance actuaries by taking up the course of either of the Institute of Actuaries (London) or the Chartered Insurance Institute (London) inasmuch as I can foretell that with the

rapid growth of Insurance in India there is a good prospect for a qualified actuary for each one these companies will need the service of whole time actuaries.

IMMENSE POSSIBILITIES FOR INSURANCE AMONGST MUSLIMS

I can say that almost the entire Muslim community in India has been untapped by insurance and this great and rising community is pregnant with immense potentialities for Insurance business. Those who are interested in the welfare of Indian insurance have not yet turned their attention to this field of business. I would appeal to the leaders in Indian insurance to carry on propaganda amongst the Muslims with the aid of Muslims who have studied the subjects of Insurance and Islam and can speak with authority. It is a hopeful sign that the prejudices against insurance are fast disappearing from the minds of educated Muslims, but I should say that those who harbour the prejudice form the majority. We must dispel the prejudice from their minds and one of the ways to do so is to do propaganda amongst them and to preach and expalin to them what insurance means. What can be achieved by the pooling of energies towards propaganda can easily be seen from the success achieved by the joint propaganda of the Tea Associations and Indian Insurance can with profit emulate their example.

Rajendranath--the Commercial Giant of Modern Bengal

By SHIB CHANDRA DUTT M. A., B. L., B.C.S.

This is the eightieth year of Sir Rajendra's life. A copy of his biography * has been fittingly brought out this year though the commendable enterprise of the Art Press, Calcutta. The present writer had occasion to go through it recently. What he learnt from it was indeed a revelation.

In our younger days we were brought up to admire lawyers like Rash Behary Ghose and Satyendra Prosanna Sinha. Lives of saints like Ramkrishna and Vivekananda used to cast their radiance over us. Examples of Jagadish Chandra Bose, Prafulla Chandra Roy and Rabindranath Tagore used to shine before our eyes. But little did we hear or know about Rajendranath Mookerjee. We knew him only as a rich business man living aloof from the public gaze in a grim, castle like mansion at Harrington Street, Calcutta. Sir P. C. Roy's speeches only gave us a hint that Sir Rajendra had an up-hill struggle in the beginning of his life. But that was just a vague idea and we knew but precious little of the great story that his life unfolds.

A knowledge of the full details of the life of this great countryman of ours has become accessible to the public through the book already referred to.

It narrates how Rajendra, a mere Matric and a student for three years in the Engineering Section of the then Presidency College, began as a part time teacher of Mathematics in a girls' orphanage in Calcutta on Rs. 15 a

month, how he happened to impress Bradford Leslie, the then Chief Engineer of the Calcutta Corporation, how through his help he managed to secure a contract at the Palta Water Works with no initial capital in his pocket and without any previous experience as a contractor, how he gradually established a reputation for himself as a Water Works Contractor and Engineer, how his qualities drew the attention of Mr. (later Sir) Acquin Martin, of the Firm of Walsh Lovett & Co., how Martin gave up his connection with Walsh Lovett and established a new Firm—Messrs. Martin & Co.,—with Rajendra as an eight-anna partner, how that firm took up the construction of Water Works in various towns of Northern India, such as Allahabad, Meerut, Nainital, Benares, Lucknow, etc., then the construction of Light Railways such as the Howrah-Amra line, the Ranaghat-Krishnagar line, the Baraset-Basirhat line, the Baktiarpore-Beher and the Arrah-Sasaram lines, etc., and later the construction of a series of big buildings in Calcutta, such as the Esplanade Mansions, the Mysore Memorial, the Tipperah Palace, the Chartered Bank Buildings, the magnificent Victoria Memorial etc. We learn at a stretch as to how Sir Rajendra raised himself from the direst poverty to the position of a merchant prince in princely Calcutta. The whole story reads indeed like a romance.

Sir Rajendra has undoubtedly distinguished himself as a business man. He is no less a great Engineer. Some interesting stories

* By K. C. Mahindra. Pp; 249. Price Rs. 6.

regarding his engineering genius are given in that book. We would recount one here for the benefit of our readers. When the foundations of the Victoria Memorial had been laid and the walls were being raised, some cracks began to appear in the foundations. The question then arose as to how to make the foundations so strong that they could bear the enormous weight of marbles to be imposed upon them without cracking in any way. A Committee of Engineers was appointed but that Committee could not arrive at any unanimous decision. Sir Rajendra went to England to discuss the question with some Engineers. While discussing the matter, he made the suggestion that joists should be placed on the foundations and the walls should be raised on them. This suggestion was referred to other distinguished Engineers who approved of his idea with slight modifications. The building was then raised in accordance with Sir Rajendra's ideas as modified by some British Engineers. It was subsequently found that while the foundations could bear the weight of the building, they could not bear the weight of the four minarets at the four corners which also had formed part of the original plan, but had to be given up. We are told that Sir Rajendra thinks that had his suggestion been given effect to *in toto*, the four minarets could also be successfully constructed. This episode shows that Sir Rajendra is indeed a genius in the engineering line. It is pleasing to learn that the Calcutta University, never hesitating to confer recognition where recognition is due, conferred the Honorary Degree of the Doctor of Science (Engineering) on Sir Rajendra and that he is the only non-Indian of the group of seven persons who have been made Honorary Life Members of the Institution of Mechanical Engineers of England. The Calcutta Univer-

sity has produced so many engineering graduates but we do not remember any one of them having achieved such a brilliant success as an engineer.

We learn that once Sir Rajendra had accepted the Membership of the Bengal Executive Council on condition that he is allowed to retain his connection with the firm of Messrs. Martin & Co., as a sleeping partner. The Government Solicitor pronounced in his favour and he actually accepted the post subject to the Secretary of States' sanction. The Secretary of States' advisers however opined that the connection with the firm could not be allowed to continue. Rajendra preferred his firm to the Membership of the Executive Council. So he left, to the profound regret of Sir Edward Baker, the then Governor of Bengal. We also learn that on the resignation of Sir Thomas Holland a broad hint was given him to the effect that the Membership of the Viceroy's Executive Council was his for the asking and also that Sir Stanley Jackson, a former Governor of Bengal, had once offered him the Chief Ministership of Bengal. Both these offers were, however, declined.

Sir Rajendra appears to have avoided high administrative posts which were his for the asking, but, at the same time, he did not stint or scruple in placing his knowledge as a businessman and as an engineer at the disposal of the Government whenever his services were requisitioned. We learn with interest that he has served on a series of important Commissions and Committees. He was a member, and for the most of the time the chairman also, of the Indian Industrial Commission (1916-28), he was a member of the Transport Committee presided over by Mr. Bell, of the Howrah Bridge Committee, of

the All-India Retrenchment Committee (1924), of the Indian Coal Committee (1924-25) the Commission on Indian Currency and Finance (1925-26), etc. He was also the Chairman of the Bengal Retrenchment Committee (1923). So far as his services in connection with important economic Commissions and Committees are concerned, his care indeed forms a close parallel to that of Lord Inchcape in England.

Considering the manner in which Sir Rajendra's services appear to have been requisitioned very freely in connection with important economic Commissions and Committees, we must acknowledge him not only as a businessman and as an engineer but also as a very prominent economist of Bengal. In this connection we cannot check the temptation of making a momentary digression and referring to the important principle laid down by Professor Benoy Kumar Sarkar that the modern science of Economics is definitely the outcome of modern Commerce and Engineering and that the economist who does not bring himself into daily and intimate contact with businessmen and engineers would, in spite of all the learning and scholarship to his credit, turn out to be a poor economist indeed ! The importance of this principle is exemplified beyond questioning in the life of Sir Rajendra who has had no theoretical training as an economist but has received recognition as an economist to an extent that has fallen to the lot of very few economists of Bengal.

What does Sir Rajendra think regarding the economic future of this country ? We are told that he is highly hopeful in that matter. He thinks, we are informed, that with the co-operation of science and industry, it is possible to raise India to the status of a first class industrial nation. His

biographer says—"He believes in an industrial future for India and has an intense faith in the potential capabilities of his countrymen to absorb the commercial traditions and practices which have proved successful elsewhere and thus gradually and by sure steps make India a first class industrial nation."*

His dream about the future of India is, as stated in his own words—"Our political friends are busy translating their aspirations into terms of constitutions, are thinking about majorities, electorates and votes. I . . picture a . . India of busy workshops, smoky factories, sanitary dwellings for the work people and eager money-getters."†

With his position and influence Sir Rajendra could have achieved a very high position in Indian politics. But why did he, after all, eschew it ? The fundamental reason probably is that he has a peculiar fondness for commerce which he does not appear to cherish for any one else. Another reason, as suggested by his biographer, is that in politics leaders must, to some extent, submit to being led by the masses, but Sir Rajendra, we are told, is not a man to be led by the masses. A shrewd judge of men, he does not believe in the so-called equality of men. Hence he is an autocrat through and through. An autocrat would be sadly out of place in a modern political arena.

Though Sir Rajendra withstood the temptation of high administrative post and a political career that might possibly have been brilliant, and chose to offer throughout a single-minded devotion to commerce and industry, it is pleasing to learn that he actually attracted the personal confidence and

* p. 234

† p. 237

friendship of a succession of Governors of Bengal. It is said that one Governor wrote to him as follows in a farewell letter—"Many people have been kind, many have given me help, but none have been kinder and I do not think that any have given me as much help as you did. It was not very easy job at times to govern Bengal, and I often felt almost despairing: over and over again it was you who made me take courage and restored my patience."

He has always cherished a deep affection for his native village. The *pathsala* where he received his first lesson in the three R's has, through his efforts, been raised to the status of a High English School and the village itself has been improved in many respects. It is said that once Sir Stanley and Lady Jackson paid a visit to the village and we are told that Sir Stanley was heard to whisper to his host that "the visit to Rhabla was indeed a pilgrimage for him and his wife."

What are the secrets behind the success of this man among men? The first element appears to be his grim determination to succeed as a businessman—a determination that led him early in life even to submit to be turned out of the house of his temporary protector rather than accept service. Secondly, he has all along been very painstaking in the details of his job and has eschewed superficiality like poison itself. Thirdly, he has always been a man of his word and honest to a degree. These are the most important factors which, to our mind, appear to have contributed to his brilliant success.

Bengalis are denounced as an ease-loving race with little or no capacity for commerce or industry. If we can offer a single Bengali who is an exception to that generalization, that would prove the fallacy of that remark.

In Sir Rajendra we have a brilliant exception. His life proves that, with or without any help, the intellectual Bengali can rise to the highest rungs of industry and commerce.

Our education today is literary and unpractical to a degree. After going through an expensive and protracted education our young men find that they are hard put to it to make both ends meet. Despair and deep gloom blur the vision of the future and paralyze all capacities for energetic action. The difficulties that face our young man today cannot be altogether removed so long as our educational, social and economic life are what they are. But the life of such a man as that of our Rajendra proves that, however adverse be the circumstances, if our young men are determined and painstaking enough, they can rise high in the social and financial ladder and there is no reason as to why they should not be able at least to make a decent living. The only things that are needed above all are—a thorough honesty, a transparent sincerity and a determination that acknowledges no defeat.

Excepting bright Calcutta and the few semi-bright districts and some sub-divisional towns, Bengal today is in a medieval and even a primitive condition. It is the barest fact, but we are so accustomed to it that we almost take it as a matter of course and never dream that, with the necessary will, we can convert this country into a paradise on earth—or at least a decent place to live in. What is pre-eminently needed for the purpose is a group of enterprising men of the type of Sir Rajendra. Bengal has produced a galaxy of brilliant lawyers, doctors and scholars but few of the type of Sir Rajendra. There are signs before us that Young Bengal has already learnt the lesson and that it is preparing to carve out a distinguished place for itself in modern commerce and industry. Let the bright example of Sir Rajendra be a source of abiding inspiration to our young men and let it further goad them onward in the path which they already appear to have begun to tread with zeal, and our dream of seeing the backward Bengal of today one day occupying a position unique in India and the world may yet be fulfilled.

Life Assurance and the Tropics

By ANILENDRANATH ROY CHOUHDURY, B.A.

INTRODUCTORY

It is common knowledge that the climate of different places vary considerably. And, climate has a direct influence on health and naturally on the longevity of man. Thus it is seen that the people of a certain country or even locality is short-lived or long-lived according as the climate of the place is bad or good.

The climate of a place is *chiefly* determined by its latitude. Of course, there are various other things that may tend to neutralise or aggravate the bad climatic effects due to latitude of a country. These are inclination of the earth's axis, altitude, winds and the direction in which they blow, proximity to sea, ocean currents and sheltering hills. But in spite of all these, the latitude of a place is the chief determining factor of its climate.

Though not very important for the purpose of the subject, it should be pointed out here that the earth is latitudinally divided into five broad divisions. They are the north and south Frigid Zones, north and south Temperate Zones and the Torrid Zone. The Equator is an imaginary line or loop, encircling the globe and is equidistant from the Poles, the distance between the Equator and each pole being taken to be 90°. Under this scale, the distance from Tropic to Tropic, which is the width of Torrid Zone, is 47°, and the areas between 23½° and 66½° on both sides of the Equator are spoken of as the Temperate Zones. North and South of 66½° north and south latitudes are the north and south Frigid Zones respectively. The earth has been

divided into these broad divisions with consideration to its position at different times, relative to the sun.

Somewhere in the Torrid Zone, the sun is always directly overhead. Consequently, this part of the earth is the hottest as it is nearest to the sun. As contrasted with this, the north and the south Frigid Zones are the coldest, as they are the farthest from the sun ; and the farther from the sun the more intense the cold, so much so that the north-pole is practically perpetual ice.

Extremes of heat and cold affect unacclimatised lives ; that is to say, both extreme heat and extreme cold affect the health of people with the result that their lives are cut short. Obviously, therefore, both in the Torrid Zone and the Frigid Zones, the lives of the people are shorter than in the Temperate Zones. (Of course, in the Frigid Zones, the other reasons that cut life short are that because very few people live there, those who do have to undergo many privations and forgo many necessities of life, these having detrimental effects on health). Consequently, in these regions the mortality rate is higher.

THE REASON FOR EXTRA-PREMIUM

"Ordinary premiums for Life Assurances are calculated from mortality tables based on the experience of first-class lives resident within *free limits* at the time of effecting their assurance." But since the climatic condition in the Torrid Zone is much worse than in the Temperate Zones, the Mortality Tables prepared from the experience of first

class lives resident within the former limits show a higher rate. Consequently, the rate of premium that is sufficient to cover the risk of assurance of lives resident within the free limits is not sufficient in the case of lives resident within the restricted limits. That means a certain percentage of premium in addition to the tabular premium has to be quoted to cover the "extra-climatic risk." This extra premium varies considerably and accordingly as the climatic condition from place to place warrants, being usually not less than £5-5s per cent and with some offices £7-7s per cent or even £10-10s per cent in the case of Guinea Coast of Africa whereas in the case of the East Coast of South America, from 13° S. Lat. southwards, the extrapremium is only 10s per cent per annum.

THE USUALLY RESTRICTED LIMITS

For the purpose of Life Assurance, the world is divided into two broad divisions—the free limits and the restricted limits. In general, the area between 33° N. Lat. and 30° S. Lat. is considered to be the restricted limit. The 33° N. Lat. passes a little south of Los Angeles in California in the west coast and south of Wilmington in North Carolina in the east coast of U. S. A. crossing the Atlantic Ocean it cuts the west coast of Africa south of Rabat in Morocco and passes south of Fez and through Algeria, Tunis and the Mediterranean Sea. It again touches land south of Beirut in Syria, cuts through Iraq south of Baghdad, Persia Afghanistan and India, south of Peshwar and proceeding through Tibet and China cuts the east coast of Asia 1° north of Nankin. It cuts Japan a little north of Nagasaki and passes 9° north of Honolulu in the Pacific Ocean.

The 30° S. Lat. cuts the west coast of

South Africa at Coquimbo in Chile and the east coast at Porto-Alegre in Brazil. It then passes along the Atlantic Ocean and cuts South Africa on the west coast just south of Sprinbok in the Cape of Good Hope Province and leaves the east coast a little south of Durban in Natal. Crossing the Indian Ocean it cuts the west coast of Australia north of Perth and the east coast 3° south of Brisbane in Queensland.

The areas outside these limits are called the "Free limits" in Life Assurance. But, while all the lands situated beyond these limits are not free, some countries which are situated within these limits are specifically named as being free. (In some cases, it is difficult to understand why these should be given the merit.)

In some cases, restriction is imposed on residence and travel north of 60° N. Lat. The countries outlying these limits are Iceland, the Faroe islands, the major portions of Norway and Sweden, Northern Russia, the bulk of Siberia, and the northern part of Canada, as also Greenland and some other minor islands. But for any part of Canada hardly any climatic extra is quoted.

Of those countries that are situated within the restricted limits but are still specifically named as being free, Australia is the most important and next to that, the Union of South Africa. In case of Australia, by far the greater portion is north of 30° S. Lat. and so within the restricted limits. Here, the climate, too, is tropical and far from healthy, though in case of large towns modern sanitation has been effective. As for the Union of South Africa, it is almost entirely, with the exception of the Cape of Good Hope Province, within the restricted limits, but nevertheless considered as free.

Indeed, some offices exclude free residence

and travel north of 20° S. Lat., or, possibly, north of the Tropic of Capricorn instead of 30° S. Lat. Though a digression, it may be interesting to note in this connection the remark made by Mr. R. E. Underwood, M. B. E., F. I. A., that "the restriction is not of great importance since but few cases are likely to occur in these parts."

The third important area which, though within the restricted limits, is named as free is Egypt upto 22° N. Lat., or, in some cases, upto second cataract of the Nile which terminates at Wady Halfa.

It may be noted here that though the major portion of Asia is outside the restricted limits, *i.e.*, north of 33° N. Lat., free residence is *not* permitted in any part of Asia. This brings within the restricted area the balance of Persia, Afganistan, India, Tibet, China, Russia in Asia, Korea, Japan, as well as Asia Minor. According to the opinion of some eminent Insurancemen, Korea and Japan should be excluded from the restricted limits.

THE LANDS AT A DISCOUNT

According to Mr. Underwood, the following would be a typical standard clause such as would be inserted in the policy when the life assured was likely to incur an extra risk in connection with residence :—

"If the life assured shall in any time

proceed to or reside in any part of Asia or any place between 33° N. Lat., and 30° S. Lat. (except Australia, Japan, Korea, Egypt north of 22° N. Lat., the Holy land, the Province of Cape of Good Hope, Natal, the Transvaal, the Orange Free State, the Canary Islands and the islands of Ascension, Cape Verd, Madiera and St. Helena.) this policy shall be void except to the extent of the surrender value thereof unless intimation be previously made to the Directors of the Company and such additional premium as they consider necessary be paid." From the typical restrictive clause we can find out the lands that are at a discount in Life assurance, the rate of discount or, in other words, the extrapremium charged, of course, varying considerably from place to place. This rate of discount may vary considerably for even the different parts of a single place or it may be the same for the different parts of a big area. Thus, whereas for Barbados and Jamaica, of the West Indies, the climatic extra is only 10s.%, for Porto-Rico, Martinique and Guadaloupe it is no less than four times as much. But for the different parts of India, which differ very much in climatic conditions from place to place, hardly any differentiation is made for the purpose of Life assurance, the uniform rate of extrapremium of from 15s. % to 20s. % being charged throughout.



A Call From "Clive Street"

By DR. S. C. ROY, F. C. C. S. (Lond), F. R. E. S. (Lond.)

When the Editor of *India Tomorrow* requested me to contribute an article on some topical interest affecting our student community, I had to tell him frankly that I am not a College Professor and I may not be able to say anything which will appeal to the sentiments of our young hopefuls. I belong to the materialistic world—the "Clive Street," the atmosphere and surroundings of which differ substantially from that of "College Street"—the cultural and traditional centre of our student community. It is perhaps difficult for me to appreciate the psychology or mentality of the modern students. But I am sure of one thing and it is that most of our students are following wrong course in life and the time has come when our young men should try to be inspired with the spirit of "Clive Street" as distinct from the spirit of "College Street."

For the last 210 years we have encouraged our boys to pass examinations and work as clerks. A clerk in our society got more honours than a rich *Bania* or *Saodagar* and the result of that mentality is that today thousands of brilliant M. A.'s and B. A.'s are unable to enter into that sacred profession of "clerkship" on the very attractive salary of Rs. 20 to Rs. 30 a month! After all there is a limit to the number of men that can be provided with clerical jobs in any office whether government or private, and when the whole Bengali nation is determined to work as clerks only—the number of such educated unemployed must increase daily.

The problem of unemployment is becoming

more acute and our students are very greatly worried about their own future. There are many suggestions given by many eminent people and it will be very helpful if those suggestions are seriously considered by our young men. I want to draw the attention of our young men to the probable openings that they may get in "Clive Street" which fall within the category of respectable opening for our middle-class Bengalees. Thousands of men are doing their works and are earning very handsome remuneration in the shape of commission and brokerage and there is no reason why our boys should not enter these lines

- (a) Stock and Share Brokers.
- (b) Exchange Brokers.
- (c) Jute, Hessian and Gunny Brokers.
- (d) Govt. Security Brokers.
- (e) Gold, Silver and other Metal Brokers.
- (f) Finance and Loan Brokers.
- (g) Life Insurance Agents and Brokers.
- (h) Fire and Misc. Agents and Brokers.
- (i) Produce Brokers.
- (j) Shellac Brokers.
- (k) Order Suppliers.
- (l) Contractors.
- (m) Tea Brokers.

and many other lines which are certainly honourable and noble professions and from which handsome income is assured.

I am sorry to say that the number of Bengali workers in these professions are very rare although more than a lac of people work in these professions in "Clive Street" alone.

I often think why our boys are not attracted towards these lines. Why they always try for a salaried post of Rs. 30 while

they can earn many times Rs. 30 in any of these professions. They all possess the necessary education, genial manners and intelligent appearance, etc. that is required in these lines, still why they do not succeed in these lines?

I know the cause of this situation is very deep-rooted and our social conditions are partly responsible for this. But I think there are other serious reasons and we ought to make an attempt to study it.

The primary reason is perhaps the lack of confidence and the spirit of optimism in our boys. They do not possess the stamina that is the first requisite of a successful businessman. Our universities do not teach us how self-confidence should grow in one's mind. During the course of my daily work, I find that a non-Bengali worker always prefers to work on pure commission basis whereas a Bengali young man almost always prefers a salary by the end of the month. A commissioned appointment not only gives more income but the worker maintains his freedom and independence, which fact our young men do not at all appreciate.

One colleague of mine told me the other day that I am wrong in diagnosing the disease and our young men always are very hopeful and "self-confident." I humbly differed with him. The self-confidence shown by many a young man is only 'vanity' and not "confidence." He thinks he can do everything "if" he gets a chance. He thinks he understands more of politics than Surendra Nath and he feels that if he is given a chance he can work better than Nalini Ranjan in managing his Insurance Company. When a vacancy occurs and if it is not offered to him he feels that a great injustice has been done to him by not giving him a "chance" and it is almost in every case attributed to "partiality" of the selecting authority. I am afraid this spirit is killing us. "Clive Street" is a very hard place. There is no place of sentiment here and people become successful by very hard work. They may not know a word of Kant or Hegel, but they know how to intelligently talk, confidently move and devotedly work. They are

not afraid to take risks and they followed the principle "Nothing venture—Nothing have" which is against the spirit of our Bengali boys, who will never take any risk.

I should not be misunderstood. The social conditions and the actions of our leaders of society are responsible for this kind of mentality. But, I think a time has come when our educated boys must learn to take risks, must be prepared for hard work, must be ready to suffer from the ups and downs of business, rather than feel comfortable in his desk under an electric fan and secure his petty salary.

We have served our "Saraswati" of "College Street" for two hundred years and I am sure we are to make an attempt now to please "Laxmy" of "Clive Street" if we are to live and lead a decent life. The struggle for existence is becoming so hard that we must give up the old comfortable ways and adapt ourselves to the new conditions.

I must say this that in asking our students and young men to enter "Clive Street," I have in my mind the preliminary qualifications that will be necessary here and I request our young men to equip themselves with that, keeping in mind that to be successful only one drop of technical knowledge, two drops of honesty mixed with plenty of common sense is all that is necessary. They should forget for the time being that they have learnt anything in the colleges and will enter as apprentices under a successful man after selecting the line what he thinks he can successfully work. He should try to pick up all the secrets and intricacies of the profession and always be alert. A man who always keeps his eyes and ears open with a view to learning will be the most successful worker. They should keep in mind that here there is not question of chance—the successful man has become successful by hard work and some intrinsic merit or qualification in him.

I am sure there is field for many honest workers in "Clive Street" and I may draw the attention of the young men of Bengal who are finding it difficult to find a career for themselves.

Rice Control in Portuguese India

By A. MARIO DA COSTA ALVARES

For the last two years a fierce struggle has been raging in the Gôa District of Portuguese India, between the interests of Government officials, the agriculturists, particularly the paddy field owners and cultivators, on the one side, and those of the consumers and merchants, particularly foreign rice importers, on the other side.

Besides Gôa, the other two districts of Portuguese India, *i. e.*, Damaun, near the city of Bombay, and Dio, in Kathiawar, have no rice problem to face, and in fact they have not shown themselves at all concerned in the struggle.

Gôa has been depending always, from time immemorial, on rice from other parts of India, for reasons that are not quite clear, though, it is said, that she could have been able to maintain herself by intensive and extensive cultivation. The rice produced locally is roughly calculated to oscillate between one and two-thirds of the needs of the entire population.

In normal pre-war times the balance of trade had been maintained by exports of cocoanut, areca nut, cashew nuts, ragi, mangoes, fruits, fish, vegetables and salt, while, at the same time, large amounts of money were sent to the country by emigrants, numbering about the fifty of a population of five hundred thousand inhabitants. The present trade depression has upset the whole economic fabric, worsened by the repatriation of large number of emigrants, owing to bad times abroad. Moreover, the export trade in mangoes, fruits, vegetables, nuts, etc, has suffered a set-

back, owing to the competition of neighbouring Indo-British districts, as a result of the latter's adopting improved methods of cultivation and marketing.

Since the beginning of rice dumping from Japan, and the consequent surplus stocks of Indian rice, the Gôa market has been fiercely attacked. The Government, therefore, have wisely acted by raising a tariff wall, so as to level the price of foreign rice with that of local produce. Yet, in view of the increasing activities of Japanese dumpers and the surplus stocks of Burmese rice lying at Bombay, the imports have been increasing. Thus, rice cultivation at Gôa is under the menace of being gradually, if not suddenly, abandoned, ruining the whole population and shaking the foundations of Government revenue; because agriculture is the principal occupation of the labouring classes.

If rice cultivation is abandoned, the cocoanut and other agricultural produce will be affected by shortage of income for the expenses of cultivation. Consequently, work on buildings, roads and so forth will decrease, reacting on the economic position of every class of the people: wage-earners, skilled and unskilled, traders, professional people, Government officials, etc.

Since the decrease of the cost of imported rice, the labourers are not accepting the locally grown rice in payment for their wages. So, the cultivators themselves are feeding on foreign rice. This is a striking fact and example of how rice dumping is reacting on

the agricultural position of the country, and on its economic fabric.

Skilled and reliable agricultural labour in Gôa has become scarce since the good old times when the Gôanese went on emigrating to all over India, Africa, and distant countries, amassing great wealth in different occupations. Now, they are returning to the country, most of them impoverished, unskilled and perhaps unreliable for agricultural work.

The agricultural labourer earns a minimum of one rupee a day in the rice fields, and twelve annas in other agricultural work, which is more than sufficient for all his present needs. In the rice fields he gets works during four months only in each year. If this work is stopped he works very little over it as he feels himself sure of getting work elsewhere, not only in other agricultural occupations but also among menials, masons, carpenters, road builders, etc.

Just before the last world war, the wages of the Gôanese agricultural labourers were six to eight annas, at the maximum, per day of more hours than at present. Now he earns the double, works for shorter hours and less strenuously, and can afford plenty of leisure to enjoy motoring or other diversions. So far, there has been no sign of famine at Gôa though there may be much unemployment with low standard of living and of morals. Pilfering and crime are not so rampant as in other countries, despite the excessive consumption of alcohol and liquors. Inneed Gôa, is a peaceful country of strange contrasts in socio-economic phenomena. Perhaps it is one of the most suitable corners of the world to shape together, and mould into an ideal biological product, the Eastern and Western mentalities. Half of the population is Hindu and the other half is Christian. There are

only a few Mohammedans. The number of European and other foreigners is negligible. They are all rice consumers.

The simple minded agriculturist will easily become a staunch fighter for foreign rice dumping, by the fierce attacks of cosmopolitan trading. The cheaper he gets rice, his staple food—if he is not so very particular about quality—the better for him. He prepares a fine curry to his own taste, and this can turn the worst quality of rice into the daintiest foodstuff. During illness he will have free admittance and treatment in Hospitals. In old age or poverty he will find a pretty comfortable corner in any Home for the poor and disabled or a small subsidy from charitable institutions. So, he feels quite happy while things stand as they do.

It is reported that, at a recent meeting, the Commercial Association of Portuguese India has unanimously protested against the import duty on foreign rice. Surely wealthy rice dealers and foreign traders must be strongly represented in that Association to place their own interests above the interests of Portuguese India.

The Government are considering a weighty representation from the landed proprietors, journalists, economists and intellectuals of Gôa to impose a sliding surtax on imported rice, so as to level its importing cost with that of local production. The revenue from that surtax would be utilised to intensify rice cultivation at Gôa, to protect the interests of all agriculturists, to relieve the import duties in certain foodstuffs, and to help the labourer in every possible way. The Government will have the liberty of increasing, decreasing, or suppressing the surtax, as circumstances may warrant, according to the present and future attitude of invaders in the rice market.

OUR EUROPEAN LETTER

(From Our Hamburg Correspondent)

Active German Mercantile Politics

The fatal result of the World Economic Conference has shown that a united attack of all countries against the world wide economic depression is an impossibility. In spite of the disastrous situation it has not yet been possible to throw overboard the exaggerated narrow-mindedness of unnecessary economical self-supportance. Anyway it was impossible for that famous London conference to stimulate the international trade volume and, therefore, to promote also the economics of each country. After the National Socialistic Government of Germany had recognized this deplorable fact that government started right away to find out other methods which would lead to an intensification of the German economical relations with other countries. The activity of German commercial politics is, therefore, steadily increasing. As it proved to be impossible to fight the international crisis by an united action of all countries, the Nazis started to fight the depression from the inside of Germany. And as long as international trade relations cannot be promoted by a world conference Germany is dealing with each one of her neighbours separately and, therefore, with a by far greater activity. This is nothing but the logical consequence of the complete failure of an international understanding on a broad basis.

In their attempts to intensify their international mercantile relations the National Socialists do not fail to apply all possible methods. Only a short time ago negotiations have been started with Poland and that, in spite of the fact that up to now it had never been possible for Germany to come to an agreement with that country even though it had been tried since years. Except political there were also economical differences of opinion which could never be settled. Only once, in 1930, Germany and Poland had drafted commercial treaty which never, though, was put into force. Just the same the National Socialist are now trying to come to an agreement with Poland.

The methods which the new German Government are applying in order to intensify their international mercantile relations are of great interests also for other countries. In the case of Poland the Nazis are, in the first place aiming at a radical removal of all measures which both countries, during the long years of their economic war, had taken to, partly to fight the opponent and partly under pressure of privately interested firms or other economical organisations. If this attempt of the Nazis succeeds there will be, without doubt, a basis for further negotiations. Anyway this example should be followed by all other countries between which there exists

the same state of affairs. With their example the Germans show how right they are in fighting the economical crisis and in enlarging their international trade relations by dealing with each country separately.

German exports to Poland have decreased since 1925 by about 90 per cent while the Polish exports to Germany sunk by about 88 per cent. If the Nazis would now succeed in coming to an agreement they would have done something not only for Germany but for the entire world, which, and especially in the present moment, would always profit by any intensification of interstate commercial relations. Germany, though, is not only negotiating with Poland but also with quite some other countries. So, for instance, with France, Switzerland and Holland. In all of these cases the mutual exchange of goods has already been subject to commercial treaties which are in force since quite some time but it is, just the same, necessary to improve matters. The manifold measures the countries take to in order to hamper their imports are always paralysing the trade volume and the negotiations which are to facilitate the trade relations. But Germany has shown especially in her negotiations with Switzerland how, just the same, it is possible to enlarge the mutual exchange of goods by facilitating the transfer of interest rates owed to Swiss creditors by German business firms. The Germans could get the Swiss to facilitate, in return the export of German goods to Switzerland. Similar negotiations have also been started with Holland. In both cases the Nazis are trying to stimulate their trade relations with these countries by allowing a greater amount of the credits, given to Germany, to be transferred. In connection with the scrips this is the best possible method of stimulating trade relations.

It, anyway, shows that quite something can be done by technical methods.

There is another and most important thing which emerges from the Nazi activity on economic policy, for, this activity proves that Germany is not in favour of an economical isolation. The National Socialists now seem convinced of the fact that the structure of German economics, alike the economical structure of other countries as well, demands the maintenance of economical relations with the world. And it must be stated that in consequence of this recognition the Nazis are now not only striving to maintain the present volume of foreign trade but they are even trying to enlarge this volume without renouncing their theory about the strengthening of their inland markets. The National Socialists have now started a planned commercial policy with other countries which by the way of reciprocal influence also strengthens the inland markets of Germany. In this connection a sentence of the present German Minister for Economics seems rather interesting. Giving an interview to some foreign newspaper men he said that it was always necessary to distinguish between the aims that have been set and the ways and means which one has to apply in order to come to these aims. In economics it is always necessary to think of the aim that has been set. The economic aim of Germany is today the removal of the unemployment evil. Every possibility which creates new places for unemployed must be welcomed. And therefore also the possibility of reviving external trade relations must be welcomed because an intensification of foreign trade relations always brings about reduced unemployment figures and especially in a country like Germany where it is said that almost every sixth person is in some way dependent on the foreign trade.

CURRENT TOPICS

Problems of Bengal Industries

Presiding at the third quarterly general meeting of the Bengal National Chamber of Commerce at Calcutta, Mr. Nalini Ranjan Sarker discussed among other things the problems of the industries of Bengal, in the course of which he said :—

CORPORATE FINANCE

My object in inviting your special attention to those aspects of joint-stock enterprise in Bengal is that this method of corporate finance has a very important bearing on the future development of our industry and trade. The successful establishment of large and middle-sized industries in Bengal will, depend on the possibility of raising adequate capital. There being not many individuals who can find the amount themselves, such funds will for most cases, have to be found on a joint-stock basis. In the interest of the industrialisation of the province as a whole, we must, therefore, strive to ensure that the floatation of companies will be so carefully and wisely made as to inspire the confidence of the public and win their ready support. It is true that a large number of companies has been started in recent years ; but these have not been started on an organised plan, and it is extremely doubtful if all of these have been started under proper auspices. There are instances, well-known to us, in which the company has been compelled to terminate its ephemeral career within a short time of its floatation merely because it was unable to raise the requisite amount of capital. Even the scanty realisations have gone to waste being spent on the preliminary expenses, brokers' commission and the liquidators fees. The shareholders in such cases get no refund ; on the contrary, they have been called at

times to meet their obligations on partly paid shares. It is no wonder that with such experiences in the past the public in this province should fight shy of industrial investments. The lack of enthusiasm on the part of investors has been causing grave anxiety to some of our new industrial ventures the soundness of which is beyond question. Within a few years in the past a large number of cotton textile and sugar manufacturing companies have been registered in Bengal, but the meagreness of their capital resources has thwarted the fruition of their schemes. Even the announcement of formidable directorates has failed to attract sufficient capital and in some cases the actual result has been that while an amount of 10 to 12 lakhs was required to start work, the actual realisation has fallen short of even 2 to 3 lakhs in 4 to 5 years from the date of starting the company. If an inquiry were to be held into the history of these concerns it would be discovered that a very large number of them were not able even to start building their factories after making attempts for three and four years and many of them were forced to liquidation even before commencement of work.

RATIONALISATION

I shall now turn from the problems of our future commercial ventures to those confronting the existing ones. I may sum up their problems in the word, "rationalisation." In an age of intense international competition the greatest handicaps to our middle-sized industries are the colossal ignorance of many of world conditions, the adherence of some to antiquated techniques of production and the lack of organisation among the members of all but a few. Industrial and trade associations are either non-existent or too weak to exert decisive influence on policies, with the

result that uneconomic internal competition has appeared in nearly every case and sapped their vitality. My concept of rationalisation comprises of measures calculated to eliminate these defects of our industries which have been gravely accentuated by a lamentable internal competition among most of the industries here, landing them in a precarious condition. The prime necessity of these industries is the establishment of powerful organisations for each of them as there are in Japan. These organisations will be in a position to undertake such important functions as collection and dissemination of trade information, maintenance of technical boards where necessary etc., such as may not possibly be taken up by individual concerns. These would also help to economise cost of production by enabling the constituents to adopt schemes of joint purchase of materials and would further offer opportunities for combined sale of products on a large scale. Incidentally such organisations would not only keep competition under control but also facilitate the adoption of restriction schemes, where necessary. I must add that it is the duty of the Government to render all possible help to trades and industries in the furtherance of these objects. In these matters, as in many others, we need to draw a lesson from Japan, where the Government have always considered it one of their natural duties to help the business organisations.

PROBLEM OF JUTE

I would now refer to another local problem of grave concern to the interests connected with jute, which, as you are aware, has a unique bearing on the entire economic fabric of this Province. It has already been fully recognised that the problems connected with jute cannot be left for a satisfactory solution to the trade itself and that some sort of Government intervention is essential to establish the trade on a sound basis. You are all aware how the price of jute has for years remained at a ruinously low level and how, the demoralised condition of this trade has undermined almost every form of

commercial activity of the Province. The entire Province has been most anxiously watching the trends of the jute trade; but there are forces at work which make it exceedingly difficult to raise the trade from the slough. My attention has been drawn to a resolution of the East India Jute Association recently published in the local press which makes a startling revelation to us of the alleged manoeuvres of certain sections of trading interests which prevent the price of jute from firming up in the export markets with the unfortunate consequence of keeping the local price depressed to the serious detriment of the agricultural interests. It is pointed out that the balers in Calcutta who sell abroad and are members of either of three organisations in Calcutta *viz.* the Jute Balers' Association, the Calcutta Baled Jute Association and the Calcutta Jute Dealers Association, made forward sales to the manufacturers here and abroad at a price below the cost and then demoralised the entire jute market by forcing down prices to a level which would enable them to cover their sales at a profit. The policy of meeting the demands of consumers by forward contracts and keeping them outside the market is what enables the well-organised balers, according to the implications of the resolution, to play such ducks and drakes with the local jute market. The prices successfully brought down ultimately entails a tremendous loss on the poor cultivators of jute. If this revelation is correct, I wonder, how the Government could have failed to take any notice of it and adopt the most stringent measures to stop such manoeuvres which can only amount to a cruel exploitation of the agricultural interests of the Province. At any rate the fact that sales are being made at exceedingly low prices even when the prospects of demand have brightened up, particularly owing the initiative of the reconstruction scheme in America, proves the necessity of ascertaining the factors that are responsible for such a serious phenomenon in the trade. My attention has also been drawn to the Report that the Jute Balers' Association

has made a counter charge against the futures markets in Calcutta suggesting that these should be suppressed by law. In the circumstances, I cannot too strongly emphasise that the situation demands an immediate investigation. Such investigation may be made by the commercial interests connected with jute themselves or by the Government for devising necessary measures of control in consultation with the trading interests as was done in the case of the jute mill industry a couple of years ago.

Mr. Mrinal Kanti Bose on Indian Labour

Presiding at the first session of the National Trades Union Federation held at Bombay, during the last Christmas holidays, Mr. Mrinal Kanti Bose discussed the problems of Indian Labour, in the course of which he said :

DOOM OF CAPITALISM

But capitalism is doomed. It is fighting from its last line of trenches—so we are told. The World Economic Conference has failed, the Disarmament Conference has followed suit, President Roosevelt is catching at a Recovery Plan, food and commodities are being destroyed to prevent the further fall of prices, international trade is reaching the vanishing point and people are dying in the midst of plenty. "All the king's horses and all the king's men will not set it up again." I am in agreement with Pandit Jawharlal Nehru with much of his description of the rake's progress of capitalism, and I am ready to believe, and fervently hope, that capitalism will soon be a thing of the past. But that does not make the task of the socialist easier. I know that neither Pandit Jawharlal considers that it is plain sailing for a Socialist anywhere, least of all in India. Capitalism, before it is laid low, will give many a battle and it will require utmost organisation, discipline and hard work on the part of forces of socialism to batter down the capitalistic trenches. For the moment as I have said, capitalism is on the ascendant everywhere.

Never perhaps since the beginning of the growth of capitalism, has the dependence of Labour on Capital been brought out into bolder relief.

In the two or three years of industrial prosperity following the conclusion of the War when the leading industries were yielding phenomenal profits Labour in India found that it was not allowed to participate in the prosperity, rather its conditions had become harder than before. Now in the years of depression capital puts forth the plea that it cannot maintain the industries without making huge reduction of hands and cutting down wages. So when capital is prosperous, it wants to be more prosperous, and Labour cannot share its prosperity. But when it is in adversity Labour must not only share it to the full, but have the lion's share of it. Nobody has any right to complain that it is so. So long as there is Capital and there is Labour as two distinct entities the latter must be the under-dog. We are all agreed, and the constitution of our Federation expressly registers the experience of ages, that "Labour and Capital cannot be reconciled within the Capitalistic system."

The destruction of capitalism must therefore be our end and object. As it happens in the ordering of the affairs of the world, capitalism will contribute to its own destruction, as it is doing at the present moment in manifold ways. But Socialists throughout the world have also to play their part in the emancipation of humanity from the thralldom of a system that has long outgrown its usefulness.

THE WHITLEY COMMISSION

I have heard taunts levelled against the Whitley Commission and against those of our friends in particular who had as members of the Commission co-operated with it. I wish the critics had carefully read the Report of the Commission. For myself I believe that if the Government gives effect to the recommendations of the Commission, the workers would be much more fit for a

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struggle for the establishment of Socialist State than they are now. Here is a paradox. How could a Commission presided over by an Englishman and of the twelve members of which as many as four are Englishmen and one an English woman could be party to a scheme that is calculated as I contend to give strength to the elbow of the workers to fit them to bring about the destruction of that very system for which at least half of the members of the Commission presumably stood? Those who would not touch the report of the Commission with a pair of tongs, forget the inexorable laws of nature. The advent of socialism, even in the advanced countries of Europe, would be impossible but for many of the benevolent actions and measures, some willing and many unwilling, of Capitalism. The report produced by the Commission, is no more a gift than the fruit is the conscious gift of the tree. The time forces and the operation of natural laws are too strong even for capitalism and the conscious effort of man has assisted their operation.

This is not the time or the place to give a review of what the Commission has reported. It is enough to say that of the many legislations suggested by the Commission bearing on such subjects as the Health, Welfare and Housing of the industrial worker, the Workmen's Compensation, industrial disputes, recruitment of labour for the plantations of Assam and elsewhere and indebtedness of the worker the Government has thought fit to circulate for opinion only two bills, mainly, the Trade Disputes Bill and the Payment of Wages Bill, the latter of which was introduced by a non-official member of the Assembly as late as in 1925. And even as regards the former the Government of India has asked the Local Governments to communicate their views regarding the desirability of converting the Trade Disputes Act (which is due to expire on 7-5-34) to a permanent measure and the amendments that should be made to the Act. The Government of India has not yet been able to frame a

Trade Disputes Bill despite the suggestions offered by the Whitley Commission. As to the numerous subjects on which the Commission has asked the Government to take executive action or introduce bills, the Government has invited the views of the unions, so far as I am aware, on four subjects only, namely, periods of wage payment; arrest and imprisonment for debts; exemption of salaries and wages from attachment; and besetting of an industrial establishment for the purpose of collecting debts. Two years have passed since the Commission reported and Government has not been able to touch even the fringe of the task which was laid upon it by the Commission. In the meanwhile things are getting from bad to worse.

THE WHITE PAPER

This brings me to the consideration of the White Paper from the point of view of the workers. You have read the Memorandum submitted to the Joint Select Committee by our Federation. I do not propose to tread on grounds already trodden many times. The White Paper, as I have said elsewhere, is part of a bigger plan or policy to perpetuate British Imperialism in general and Indo-British Capitalism in particular. The whole scheme is devised to produce a double roller, that of capitalism and communalism, to crush Socialism and Nationalism. The worker's party if any such can be formed in the legislature, has very little chance of carrying through the measures suggested in the Report of the Whitley Commission, not to speak of more radical measures. What the effect of the virtual closing of the channels of constitutional action will ultimately be I do not feel competent to predict.

Insurance Cover for Moustache?

A contributor to the *Policy* of London has the following in lighter vein:

I am a disappointed and disillusioned man so far as insurance is concerned. I have just spent a whole week making enquiries of various insurance companies for a rate to

cover my moustache against the risk of loss or damage by accident, and was astonished to find that this very essential cover could not be obtained. The great brains which have evolved such wonderful policies as the "Household Reprehensible" and the unique "If and Perhaps Policy" have entirely failed in their duty to the public. There is surely a very wide and neglected field for business waiting to be cultivated in this direction.

What is the value of a moustache? To a business man this is obvious. The proud possessor of a well-trained moustache has so much added personality. What confidential clerk does not give that extra mark of attention and respect to the smartly moustached business caller? It is an intimidating force which commands an instinctive respect from all who come within sighting distance.

In my own case as a commercial traveller, my moustache is worth at least £500 a year to me. It gives me added confidence to go forth in the pioneering spirit to climb almost to inaccessible heights of business-getting. There are many like me who have spent years carefully cultivating this extra accessory to their business-getting personality, and to whom the loss would spell disaster.

A recent case of accident to a moustache involving total loss of this valuable accessory has brought home to me very forcibly that such contingencies should be covered by insurance. A business acquaintance of mine, also a traveller, whilst engaged in calling for orders was walking along a street in the business quarter of a large town. It appears that an office boy was improving the shining hour by practising the modern game of Yo-Yo from a third storey window. This promising

youth had so far progressed in the art that he was able to use an extra long string, allowing the top to descend to the street level. Just as my acquaintance was passing down came the Yo-Yo and, like a flash, his moustache (a particularly fine specimen) was pulled out by the Yo-Yo up to the three-storey window. The unfortunate traveller's business was almost at a standstill until he could grow a new one.

When a moustache is destroyed or damaged beyond reasonable repair (wear and tear excluded) there is a period during which the owner is at a financial loss until an adequate new one is grown, and my acquaintance suffered a most appalling loss as a result of this untoward occurrence.

Other instances have come to my notice revealing the severe risk which is run by the moustached public :

(i) November 5th.—Moustache burned out completely by a squib.

(ii) On a Midsummer day—swarm of bees settled in a very luxuriant growth, and when disturbed, caused irreparable damage to the roots, rendering the lip sterile to future growth.

(iii) Safety-razor (so-called) accidentally slipped, removing nearly half of a promising young moustache. Remainder destroyed on humane grounds.

(iv) Traveller in Jews' Harps—door slammed in his face and moustache caught in between the door and jamb : (total loss).

These are only a few of the risks which are run by the unprovided-for moustached public, and I submit it is a disgraceful state of affairs which ought to be remedied.



THE INTELLIGENT MAN'S WAY TO PREVENT WAR: *Edited by Leonard Woolf; Published by Gollancz. Pages 576. Price Rs. 5.*

Since the last European Engagement the horrors and the ravages of war have been painfully brought home not merely to the belligerent peoples but really to all the nations of the modern world. They realise now that civilization would not survive another similar outburst, especially because another war would not merely involve Europe and America, but would inevitably draw into its meshes all the peoples of all the five continents yet, apparently and obviously, the world, at least Europe, is busily preparing for another deadly engagement. The Disarmament Conference has met with an utterly derisive failure and ultimatums and threats are being exchanged from day to day between republican France and Hitlerite Germany. Apprehensions are naturally rife lest a stray spark may set into conflagration the present highly inflammable Europe and involve the not a little explosive yellow Far East in its toils.

Yet if the lessons of experience or history have any influence in the shaping of the destinies of nations and peoples, war would be an impossibility for at least several generations to come. The effect that the last war had in the day to day life of the modern world in almost all its important social aspects is not yet merely a matter of history. Politically, the Versailles Treaty still offers evidence of war's ravages; economically, the burden of the debts and reparations still offer an insoluble problem to Europe and America and have their inevitable, and to all appearances, a far-reaching repercussion on the Commercial and monetary policy of the world, and also are,

not a little responsible, for the sudden precipitation of the world-economic chaos which has been continuing with a fatal fury during the last quartette. Socially also a total lack of idealism and an unwanted and unhealthy sophistry which is daily increasing in its intensity mark the post-war modern world.

It would therefore seem that the ravages of war have wrought enough havoc to painfully bring home to the belligerents its evils. Yet the fact that the preachers of peace are met with a futile apathy today is perhaps due to the misanthropic conviction that the world moves in a vicious circle and that war is consequently an unavoidable, as well as a necessary evil. The publication, at this juncture, of the Intelligent Man's way to Prevent war, would therefore seem to be most opportune. Unlike most books on the problems of war and Peace it is written for the laity in language which they can understand, and deals not merely with any one particular aspect of the problem like, for instance, the League, or Disarmament or arbitration, etc., but deals with the problems of War and Peace as a whole. Seven acknowledged experts, namely Lord Cecil, Gilbert Murray, Arnold Foster, C. M. Lloyd, Sir Norman Angell, C. R. Buxton and H. J. Laski, contribute the eight chapters which constitute the book, wherein they not merely prove that war is a preventible evil but also lay down in clear and unequivocal terms the conditions which must be fulfilled or obtained if war has to be prevented.

Sir Norman Angell's thorough analysis of the present state of international anarchy opens the book with an appropriate warning that patriotic territorial nationalism must, at least to a

certain extent, yield to the higher necessity and of course the nobler ideal of a pan-national or an international *entente*, an *entente* which was visualized some years back in the Peace Manifesto issued under the signatures of people like the late Anatole France, M. Romain Rolland, George Bernard Shaw, Bertrand Russell, Woodrow Wilson, Rabindra Nath Tagore, Mahatma Gandhi and others. No less important is the appeal of Prof. Gilbert Murray in his demand for a revision of the Peace Treaty as a fundamental basis of such *entente*.

But by far the most interesting to students of contemporary economics are the two chapters contributed by C. M. Lloyd and Prof. H. J. Laski on the Problems of Russia and the Economic Foundations of Peace respectively. Mr. Lloyd strikes a new note not only of mere toleration towards "alien" Russia but asserts with vehemence that though presenting a variety of serious problems to the rest of the world which is, in its essential make up, capitalistic, Russia is certainly not an obstacle, not to say a menace, to world-peace. Though believing in the eventual transformation of the world to a Communist State, Russia is nevertheless desirous of the equilibrium of Peace as an essential condition precedent to the building up of the fabrics of her own economic and intellectual life. And Russia has more than once proved this attitude not merely by actively helping in the League's Peace parleys, but also by contracting treaties of non-aggression with even Fascist Italy and anti-communist Nazi Germany.

And indeed, instead of looking upon Russia as the sore canker in the vital centre of European

polity, she is looked upon more as a leader and a guide out of the mazes of our present economic misery and consequent political confusion. That is obviously what Prof. Laski was looking upto when suggesting a world order of Socialist Societies as an essential economic background of peace. Prof. Laski rightly asserts that all efforts for peace have so long broken down on the rock of economic imperialism, and the world must be rid of the present almost violent *economic nationalism* of the different national States, and a system of international *economic altruism* must be evolved before peace can be established with any certainty of its being enduring. And to do that the tendency towards a larger and larger equalization in the distribution of wealth must be increasingly more pronounced. In other words, the invidious distinction, both economic and social, between classes must gradually be wiped away and a rapprochement secured towards an increasingly wide *altruism* between them.

But, as Mr. H. G. Wells suggested in his William Clissold, the world must needs indeed be a far better place if it were to be rid of this fatal apathy towards the prevention of war. Since the publication of the volume under reference, Europe has advanced even further towards another when, and it can only be piously hoped for that it may yet be prevented. But again, with Prof. Laski, one would be inclined to believe that war could only be prevented through the evolution of a world order of Socialist societies, and who knows but that even the constitution of such an order may not require another war to accomplish.

KARUNA KUMAR NANDI

IN LIGHTER VEIN

"An insurance official who has a habit of teasing his wife, was out motoring in the country with her when they met a farmer driving a pair of mules.

Just as they were passing, the mules turned their heads towards the motor car and brayed vociferously.

Turning to his wife the insurance man remarked, "Relatives of yours, I suppose?"

"Yes," she said, sweetly, "by marriage."

The Indo-Japanese Trade Agreement, 1934

As the once doomed-to-be-futile trade negotiations between India and Japan have terminated successfully in an agreement which is considered to be mutually advantageous, we hasten to congratulate the governments of both countries on their achievement. It would be recalled with concern how in the course of the negotiations the convention looked like ending in smoke and the demands of both the countries seemed to be irreconcilable. We would rather not discuss here once again the conflicts of commercial policy involved in this trade convention, which we have tried to explain from time to time in the columns of our *Review*. In any case, however, the Indo-Japanese Trade Agreement is an encouraging compromise between conflicting commercial interests, and is expected to yield considerable benefits to the parties concerned. The only parties possibly affected under the agreement are Indian, Lancashire and Continental mill-owners.

Highest benefits, as a result of this Agreement, will be achieved by the cotton-growers and Government while the mill-owners will have no cause for complaint in the long run on account of the quotas. The Indian Government did not insist on the 75 per cent duty as presumably it considered that the real protection to Indian mills was the quota system, and so the *ad valorem* duty has been lowered to 50 per cent only. Doubts have, however, been expressed as to the efficacy of quotas in harmonising the differences in industrial and technical efficiency. Thus even in spite of the quotas a considerable amount of

uncertainty will reign in the piecegoods market for some time to come. The cause of one particular industry allied with the general problem has not, however, received the proper consideration it deserves; it is the Cotton Yarn manufacturing concern. The Cotton Yarn industry is placed under no better conditions than are prevalent in the textile manufactures. Neither the Trade Agreement nor the New Tariff Bill has any provision for its betterment. The new Tariff Bill, however, which was announced just at the conclusion of the Trade Agreement has given rise to some misgivings in the minds of the Japanese Delegates who have been assured by the Government of India that the latter have no intention of prohibiting the importation of any Japanese goods in the interests of the consumer. In imposing the new specific duties upon miscellaneous goods, the Government of India has tried only to restore fair competitive conditions and have limited the duties to such rates as are deemed necessary for the protection of Indian interests.

We should also record our sense of appreciation of the valuable services rendered by His Excellency Mr. Setsuzo Sawada, His Imperial Majesty's Envoy Extraordinary and Minister Plenipotentiary, Mr. Susumu Terao, Director of the Bureau of Foreign Trade of Japan, and Hon. Sir Joseph Bhore, Member of the Executive Council for Commerce and Railways and Hon. Sir Frank Noyce, Member of the Executive Council for Industries and Labour.

The following record of the proceedings of a meeting between the Japanese and Indian Trade Delegations on January 5 at the Government of India Secretariat, New Delhi, shows the terms of agreement arrived at on the basis of which the actual draft will be drawn up :—

His Excellency Mr. Sawada said :—

"I am happy to state that an agreement of views has been reached between the Japanese and Indian delegations on all important problems relative to the commercial relations between Japan and India, including (1) the 'most-favoured-nation' treatment to be accorded reciprocally to the goods of the two countries ; (2) the negotiations to be held concerning the modification of customs duties that may adversely affect the trade interests of the two countries ; (3) the measures to be taken to correct the effects of exchange fluctuation ; (4) the duties applicable to Japanese cotton piece-goods imported into India ; (5) the quota to be applicable to such Japanese goods, and (6) the enforcement of the present agreements :

"I take the liberty to state my understanding of the agreement of views arrived at between the two delegations on these problems, which I trust will be concurred in by the Indian delegation.

TARIFFS RECIPROCITY

"Japan and India shall reciprocally accord the 'most-favoured-nation' treatment to any article, the produce or manufacture of the other country ;

"Japan and India agree that, should any modification of the customs tariff by either country result in the trade interests of the other being adversely affected in any appreciable measure, they shall, upon the request of the country so affected, enter into negotiations with the object of reconciling, as far as possible, the trade interests of the two countries.

"The Government of India shall have the right of imposing or varying from time to time special rates of customs duty on articles,

the produce or manufacture of Japan, other or higher than those levied on similar articles the produce or manufacture of any other country, at such rates as the Government of India may consider to be necessary to correct the effects of any variation of the exchange value of the yen relative to the rupee subsequent to December 31, 1933.

"In imposing or varying or, on being requested by the Government of Japan to vary such special rates of customs duty, the Government of India undertake to give full consideration to the relevant factor which tend to raise the export prices of Japanese goods, such as the purchase by Japan of raw materials in markets outside Japan and the adjustment of internal Japanese prices, and to limit such rates to what is necessary to correct the effects of the depreciation of the exchange value of the yen relative to the rupee on the duty paid value of Japanese goods imported into India.

"The Government of India further undertake that no change in any such rate shall be made until it has been in force for at least five weeks. Reciprocally, the Government of Japan shall have the right of imposing or varying special rates of customs duties similar to those to which reference has just been made on articles the produce or manufacture of India, under similar circumstances and subject to similar conditions, provided that such right should not accrue to the Government of Japan, unless the exchange value of the rupee relative to the yen shall be depreciated below the value of 1.732 yen.

DUTY ON PIECEGOODS

"The customs duties to be imposed by the Government of India on Japanese cotton piecegoods should not exceed the following rates ; Duty on plain greys, 50 per cent *ad valorem* or 5½ annas per pound ; duty on others, 50 per cent *ad valorem*. It is understood that the Government of India shall not impose on Japanese cotton piecegoods, other than plain greys, a specific duty exceeding 5¼ annas per pound, subject to the agreement concerning the "most-favoured-nation" treatment.

"The quantity of Japanese cotton piecegoods to be exported to India in the period of one year beginning from April 1, shall be limited within a quota which shall be fixed in accordance with the quantity of Indian raw cotton exported to Japan in the period of one year beginning from January of the same year. It is to be noted that the period of one year for the purpose of fixing the quota of Japanese cotton piecegoods (or piecegoods yarn) shall be from April 1 to March 31, of the following year, while the period of one year for the purpose of calculating the quantity of Indian raw cotton exported to Japan (or cotton yarn) shall be from the January 1 to December 1.

"The quota of Japanese cotton piecegoods to be exported to India in a piecegoods year shall be 325,000,000 yards, and it shall be linked with 1,000,000 bales of Indian raw cotton exported to Japan in the corresponding cotton year.

"In case the export of Indian raw cotton to Japan in any cotton year should fall below 1,000,000 bales, the quota of Japanese cotton piecegoods for the corresponding piecegoods year shall be determined by reducing the above basic quota at the rate of 2,000,000 yards for every 10,000 bales of deficit. In case, however, such export in any cotton year should exceed 1,000,000 bales, the quota of Japanese cotton piecegoods for the corresponding piecegoods year shall be determined by increasing the above basic quota at the rate of 1,500,000 yards for every additional 10,000 bales, provided that the quota should in no case exceed 400,000,000 yards.

"In case the export of Indian raw cotton to Japan in any cotton year should exceed 1,500,000 bales, the quantity thus exported in excess of 1,500,000 bales shall be for the purpose of determining the relevant quota of Japanese cotton piecegoods, added to the quantity of raw cotton exported to Japan in the following cotton year.

"In respect of both cotton piecegoods and raw cotton the exported quantity shall be deducted from the imported quantity.

HALF-YEARLY PERIODS-

"A piecegoods year shall be divided into two half-yearly periods the first half-yearly period running from April 1 to September 30, and the second half-yearly period from October 1 to March 31 of the following year; the quota for the first half-yearly period shall be two hundred million (200,000,000) yards.

"The quota for the second half-yearly period shall be provisionally fixed at the quantity which will be derived by deducting 200,000,000 yards from the yearly quota calculated on the basis of the estimated export of Indian raw cotton to Japan in the corresponding cotton year. The adjustment of the export of Japanese cotton piecegoods to India shall be made by the end of the said period on the basis of the exact quantity of Indian raw cotton exported to Japan in the corresponding cotton year, subject to the rules of the allowances between the periods.

"A transfer from the quota of the first half-yearly period to the quota of the second half-yearly period shall be permitted up to a maximum of 20,000,000 yards from the second half-yearly period to the first half-yearly period of the succeeding piecegoods year and *vice versa*. A transfer up to a maximum of 20,000,000 yards shall be permitted.

QUOTA CATEGORIES

"The quota of cotton piecegoods shall be classified into the following categories in conformity with the following percentages: plain greys, 45 per cent; bordered greys, 13 per cent; bleached, 8 per cent; coloured and others, 34 per cent.

"The percentage allotted to each of the above categories may be modified, subject to the following conditions:—

The increase in the category either of bordered greys or bleached shall not exceed 20 per cent of the quantity allotted to that category, and the increase in any other category, shall not exceed ten per cent of the quantity allotted to that category.

"The quantity transferable from the category either of bordered greys or bleached shall not

exceed 20 per cent of the quantity allotted to that category and the quantity transferable from any other category shall not exceed ten per cent of the quantity allotted to that category; and not as rendered.

"The total quota of cotton piecegoods for piecegoods year shall not be increased by the above modification of the quantity allotted to each category.

"The quota of cotton piecegoods for the period between the date on which the present Indian customs duty on cotton piecegoods will be reduced to 50 per cent and April 1 on which the first piecegoods year begins to run, shall be the proportionate fraction of the quantity that would have been allotted to the whole piecegoods year from April 1, 1933, to March 31, 1934, on the basis of the quantity of Indian raw cotton imported into Japan in the cotton year of 1933 from January 1 to December 31.

"The quota for this period and the first half-yearly instalment of the first piecegoods year quota shall be consolidated into one for the period of approximately nine months ending at the end of September 1934.

DURATION OF TREATY

"The new treaty shall be signed as soon as possible in London by the respective representatives of the Japanese Government and the British Government. The treaty shall come into effect immediately after the exchange of ratifications and shall remain in force until March 31, 1937.

"I have above stated the substance of the agreement of views that has been arrived at between the two delegations in the course of the negotiations since September last and I trust that the Indian delegations are ready to concur that this agreement of views has been reached."

The Hon. Sir Joseph Bhore, leader of the Indian delegation, replied as follows :—

"I have great pleasure in informing Your Excellency and Your Excellency's colleagues that the Indian delegates find themselves in full agreement with the substance of the

statement which has just been made by Your Excellency. I would, however, offer the following remark not by way of modification of anything which your Excellency has said, but in order to secure the elucidation of a point which might otherwise be ambiguous and in order to remove an apparent inconsistency. I refer to the provision that the allotment for the first part of the cotton piecegoods year shall be 200 million yards in the event of the purchase of raw cotton by Japan being less than the quantity which would justify a total yearly quota of this amount. I assume that Your Excellency agrees that the necessary adjustment should be made from the next year's quota."

DRAFTING OF AGREEMENT

His Excellency Mr. S. Sawada said :—"I am happy that my statement has been concurred in by the Hon. Sir Joseph Bhore. I wish therefore to propose that the two delegations proceed immediately to the actual drafting of the new agreement to be formulated upon the basis of the agreement of views that has been reached. I trust that the Indian delegation are ready to accede to the proposition."

"The Hon. Sir Joseph Bhore replied as follows :—

"The Indian delegation agree to the suggestion put forward by Your Excellency. The agreement to be drafted will, of course, further include conclusions on minor subsidiary details which still remain to be filled in."

His Excellency Mr. Sawada said :—

"According to the information just received from my Government the Cotton Spinners' Association of Japan, at the committee meeting held at Osaka on January 4, decided to withdraw on January 8, 1934, the resolution concerning the suspension of the purchase of Indian raw cotton."

The Hon. Sir Joseph Bhore replied as follows :—

In view of the withdrawal of the resolution referred to by Your Excellency and in view of the agreement of views between the two delegations referred to above, the Government of India will reduce the customs duties on Japanese cotton piecegoods imported into India to the rates which have been agreed upon between the two delegations from January 8, the date from which the resolution of the Cotton Spinners' Association of Japan concerning the suspension of purchase of Indian raw cotton is withdrawn and will accord the "most-favoured-nation" treatment in respect of customs duties on Japanese cotton piecegoods imported into India. From the same date such conditions as have been agreed upon between the two delegations will be applied to imports of Japanese piecegoods into India."

COMPANY NOTES

The People's Insurance Company Ltd.

We congratulate the People's Insurance Company on their commendable valuation results for the period ending 31st March, 1933. The valuation of the Company's assets and liabilities was made by Mr. G. S. Marathey, A.I.A., and has disclosed a surplus of Rs. 7,265.

The basis of the valuation was fairly stringent. The mortality table used was *HM* with a rating up of 6 and 5 years in the case of whole life and other classes of policies respectively. The rate of interest assumed was 5 per cent. and although the average expense ratio of the Company worked out at nearly 12.5 per cent. 15 per cent. was assumed for the purposes of the valuation.

The Actuary has referred to two special reserves in this connection. He has set aside Rs. 12,000 for meeting demands for surrender values according to the guarantee. He has also deducted Rs. 38,903-7-0 from the Life Assurance Fund as shown in the Balance Sheet. Reserves would have been even greater if credit were taken of assets like preliminary expenses share capital and organization expenses which were completely written off during the period under review. Under this head, the Company could have taken credit for Rs. 28,162-10-2. But in order to build the Company on solid foundations this amount was written off and no credit was taken for it in arriving at valuation results.

90 per cent. of the surplus belongs to the

policy-holders, and this share amounts to Rs. 6,538. The Actuary recommended Bonus at the rate of Rs. 10 and Rs. 7 per thousand sum assured to be granted to whole life and other classes of policies respectively. This is undoubtedly a very encouraging result to be disclosed at the first valuation of an insurance Company. We fully agree with the Actuary's concluding remark that :

"In conclusion I have to congratulate you on the result of the Valuation. Life Insurance has a sacred aspect as combining business with social welfare and I hope that your Company, being conducted with efficiency and economy, shall show much more improved condition than it has been possible for you to do during the valuation period, which was one of great commercial depression, and thus vindicate the sacredness of Life Insurance from a national point of view as referred to above."

Taj Insurance Company Ltd.

The Report of the second working period of the Taj Insurance Company, ending 30th June, 1933, of Lahore records a unique progress in many important aspects over the previous period of its working. During this period, the Company issued policies for the value of Rs. 5,27,000 yielding an annual premium income of Rs. 25,896. Total premium earned by the Company during the period under review amounted to Rs. 22,079 and the total income from all sources rose up to Rs. 26,480. Expenses of management absorbed Rs. 19,375 working out at about 87.7 per

cent. The Life Assurance fund of the Company stood as at 30th June, 1933, at Rs. 9,453, an increase of nearly 50 per cent over the previous year's figure. Another most favourable feature of the Company is its favourable mortality experience, there having occurred no death amongst the policy-holders.

The Company offers a variety of scheme to the intending policy-holders and all upto date privileges and liberal policy conditions. It also accepts risks on female lives with slightly altered terms.

The Managing Agents, Messrs. S. L. Tuli & Co. have voluntarily foregone their full commission and entire remuneration for this and previous working period. Mr. S. L. Tuli is a highly experienced and far-sighted businessman, and this gesture of his will be widely appreciated. Although the Taj is yet a juvenile institution, its big future seems to be almost assured under the fostering care and vigilance of its able Managing Agents.

Neptune Assurance Company Ltd

The third Annual Report of the Directors of the above Company discloses certain very promising business results. Although the business in the Life Department commenced only from the 1st May, 1932, the Company issued policies assuring a sum of Rs. 17,16,221 during the year ending 31st July, 1933. This result is highly commendable. The annual premium income to be derived from the

business amounts to Rs. 1,07,055. Income realised from interest, dividend and other sources was Rs. 1,325. The Life Fund which the company has been able to build up within such a short time and which stands at Rs. 12,298 is a remarkable feature indeed.

The management of the Company is not left with any Managing Agents and is under the direct supervision of the Directors. Another interesting feature of the Company is that medical examination is not compulsory especially in regard to the Daily Premium policy while a lien of a reasonable period is attached to each life upon which risk is accepted without medical examination. This system has not only saved the Company from an unfavourable mortality experience but has helped to keep the costs of procuring business at a low figure.

The Company also operates in the Provident or Mutual Branch which is older than the Life Department and commands larger funds. The total amount of claims paid in this department now comes to nearly Rs. 75,000. During the year under review the Company has paid Rs. 22,667 by way of claims inclusive of immediate reliefs affording reliefs to 276 helpless families.

The progress achieved by the Neptune Assurance Company Ltd. during the first couple of years of its activity in the life insurance field is remarkable, and the Company is expected to achieve greater success in the future.

NOTES AND GLEANINGS OF THE MONTH

New Year's Greetings

We have great pleasure in reciprocating most cordially the very kind New Year's Greetings that have been extended to us by many of our friends and constituents. We apologise to them for making use of our columns in thanking them instead of taking the help of the Post Office. We also take this opportunity to extend our warmest New Year's Greetings to our readers and constituents, both individually and collectively.

Europeans and Commerce

The Associated Chambers of Commerce held their Annual Session this year in Calcutta. Various topics of controversial as well as non-controversial nature were discussed as usual, and a number of resolutions passed. They dealt with taxation relief, Aden salt, surcharge on sugar, surcharge on coal and others. The Viceroy for the first time attended the deliberations of the European Chambers' annual meeting. The observations made by the Finance and Commerce Members of the Government of India on the issues raised afforded an opportunity to the public of knowing the views and attitude of the Government in regard to several important problems. The Federation of Indian Chambers of Commerce, however, are at a disadvantage in this respect, since due to their attitude towards the Round Table Conference, not only the Viceroy but also members of his Executive Council have refrained from attending the annual Delhi session of Federated Chambers.

Unanimity in commercial matters is hard to achieve not only as between Associated Chambers and Federation of Chambers, but also as between different groups and interests under the auspices of either. So there is nothing particularly discouraging about the wide divergencies of opinion expressed by members from different parts of the country.

By far the most important resolution passed this session was on the necessity for relief in taxation to lighten the burden on taxpayers. The resolution was moved by Mr. Browning of the Madras Chamber of Commerce and Mr. J. G. Ryan of Upper India Chamber of Commerce added that there should not be any restoration of the second moiety of the cut in the salaries of the services, unless at the same time some substantial and general relief by reduction or removal of the 25 % income tax surcharge was afforded. There will be much public sympathy behind this contention, and we are in full agreement with the public desire that no further relief should be offered to the services before the burden on general taxpayers had been substantially lightened. The Government's attitude so far as it could be gathered from the Finance Member's speech was not pronounced enough to be committal either this way or that. The Chambers were sharply divided in their opinions on the resolution which demanded the duty on Aden salt to be increased to the level of the duty now levied on foreign salt. The proposer who was a member of the Bengal Chamber emphatically

voiced the sentiment of the province. The resolution was violently opposed by those who have vested interests in the salt industry of Aden. But we are gratified to note that the subject will be investigated by a Special Committee during the end of this month. The resolution on the removal of surcharge on the import duty of sugar was put to vote and carried by a large majority. The surcharge was levied mainly for revenue purposes, and its abolition naturally will considerably depend upon the budgetary position.

Among many other subjects discussed, this session may be mentioned: import duty on foreign cotton, abolition of Railway surcharge, reduction of airmail charges, export duty on hides, etc.

His Excellency the Viceroy discussed the economic situation of the country as a whole, and referred to the unemployment problem which has proved a menace to the administration, and appealed for co-operation which was very significant.

Both the Associated Chambers and the Federated Chambers are in the same position in one respect, that is, neither of them has an independent secretariat of its own. Merely speaking of platitude does not carry us long in the path of recovery or progress in our economic life; but what is expected of such organisations is a definite lead which they ought to provide to the countrymen supported by adequate facts and figures. The recently established boards of statistical research and economic enquiry will, however, perform similar functions, but they cannot be urged upon to formulate plans according to the different policies of different organisations.

Protection for Smaller Industries

As a result of the various representations made to the Commerce and Industries

Department of the Government of India on behalf of several minor industries, the Commerce Member has introduced in the Assembly a Bill on the 21st January last which proposes to amend the existing Tariff Act so as to subject certain imports to the minimum specific duty or an *ad valorem* duty whichever is higher. This measure is expected to yield an extra revenue of Rs. 20 lakhs to the Government, and is believed to make all low priced imports to pay the minimum specific duties while higher-priced competitive articles will not be affected as the *ad valorem* 25% duty in these categories will be greater than the minimum specific duty. The Indian industries will, it is claimed, be protected against cheap foreign imports on which the incidence of specific duty will be high, but the higher-priced rivals will remain in the field to compete.

The solicitude expressed by the Government for the interest of minor industries in India is indeed laudable, and the expected yield of revenue is also encouraging from the budgetary point of view, but what we have been emphasising for the last few years is that the rather indiscriminate tariff policy of the Government has caused very real hardship to the consumers whose point of view has been completely lost sight of by the Government. This duty will enhance the price of imported articles which are used as raw materials or aids to the minor industries which have been sought to be protected, and the measure in which protection may be realised by smaller industries without jeopardising the interests of consumers seems to us to be extremely limited. We draw the attention of our readers to an article published in this issue entitled "The Need for Consumers'

Protection" where this point of view has been thoroughly discussed with reference to the tariff policy of the Government of India.

We have no doubt that the Bill will have a smooth passage through the legislatures, but it is yet to be seen how far the ambition of the measure achieves fulfilment.

The situation arising out of this measure with reference to the Indo-Japanese Agreement has been dealt with elsewhere in this issue in connection with the said Agreement.

"New India" Declares Bonus !

One of the most encouraging new year events in the field of Indian insurance is the declaration of bonus by the New India Assurance Company Ltd. in its Life Department. The rumour of such an incident was already in the air, and the public and the Insurance press all over India have welcomed the tidings with great satisfaction. Immediately after the announcement had been published, the Company received immense response and congratulations from its workers, agents and policyholders, and it seems almost certain that New India's popularity has been afforded a great impetus in its ascendant march, as a result of the liberal gifts provided by the valuation.

This is the first valuation of the Company in its Life Department and was made as at 31st March, 1933, on, we understand, very stringent bases. We have not yet received the full details of the valuation, but we are informed that the rate of interest assumed for the purpose of valuation was 4 p. c. which far exceeds the actual rate of interest earned by the Company on account of the incidence of the diverse investments of the Company's funds, and does not take account of the tangible appreciations which have been

realised by the Company's holdings of securities. Even conceding these unfavourable circumstances, the Company has been able to show a large surplus which has enabled it to declare simple Reversionary Bonus at the rate of Rs. 15 and Rs. 10 per thousand per annum on Whole Life and Endowment policies respectively. We have nothing but admiration for the remarkable results achieved by the Company in its first valuation.

The company has further decided to grant a rebate of 2½ p. c. on all annual payments of premiums, which concession is extended to old policyholders as well.

The Company, as is well-known, is run on very sound and cautious lines, and it is remarkable that New India has achieved a rare combination of caution and plenty, strictly scientific business principles and comparatively high bonuses for its policyholders.

We congratulate Mr. S. B. Cardmaster, the Life Manager of the Company and Dr. S. C. Roy, the Branch Manager in Calcutta for the splendid achievements of the Company.

The Quake-tide in Clive Street

In the noon of the 15th January last when we, being "comfortably" situated on the third floor of a huge mansion in Clive Street, were going through the final copies of this issue we were rudely surprised by a severe shock of earthquake, which, later on, was found to have swept all over India lasting for about eight minutes, and causing considerable loss of life and damage of property in remoter parts of the country. In all the office buildings of Clive Street there was a mad rush towards the stair case undertaken by the Sahibs, Baboos, Mem-Sahibs and the menials, and a stampede followed. Those who could

get out of their respective offices flocked on the streets and were anxiously watching the developments which might have proved enormously fatal had a single house collapsed at the shake. Among the many anxious souls which we encountered on the streets on Monday, particularly perplexed appeared the faces of several Insurance Managers who had several anxious minutes of extreme suspense not only on their own accounts but also an account of their companies that might have had to pay enormous sums in claims if widespread casualties had taken place.

It was soon realised that the earthquake had lessons for us. It is, in the first instance, a great leveller. The chambered differences of business offices in Clive Street had no significance for the time being when from the *Burra-Sahib* down to the most inconsiderable "boy" had stood and prayed side by side on the Street and had gossiped to one another in a most "un-official" and friendly manner. It also reminded the owners of buildings of their duty to insure their houses against earthquake, and served to point out to the engineering genius what it may yet achieve for the protection of mankind.

Capitation Charges Relief

The Report of the Capitation Tribunal along with the Government of India's orders and the Prime Minister's announcement were published on the 21st December last. The British Government have decided to recommend to the British Parliament that the amount of grant towards India's defence expenditure should be one and a half million pounds, this amount to include a separate subsidy of £ 130,000 per annum hitherto paid from the Army Funds towards the cost of transport of British troops to and from India.

The total gain to India is estimated at £1,417,000 per annum. We do not however, find anything in the Tribunal's Report upon which we should congratulate the commissioners or the tax-payers of India, since what India has been repeatedly demanding is not merely a revision of the capitation rate but its total abolition. In this connection, the *Leader* recalls Mr. Buchanan's note appended to the Welby Commission Report :

"It (the capitation charge) is in the nature of an imperial and not an Indian charge, and ought never to have been imposed upon India. The British Army is the army of the Empire. If India pays all their expenses whilst in her service, she does everything that can be expected of her and far more than is demanded from any other part of the Empire."

Insurance Education Society

At a meeting of the Council of the Insurance Education society held on the 15th December last the following gentlemen were unanimously elected office-bearers of the Society for the current year :—

President : Mr. J. N. Basu, M. A., B. L.
M. L. C.

Vice-Presidents : Khan Bahadur Ahsanullah, M. A., I. E. S. (Retd.) ; Mr. K. N. Sen ; Capt. S. C. Sen Gupta, M. D., F. R. C. S. (Lond) ; Mr. S. N. Gupta ; Mr. A. C. Sen ; Mr. K. M. Naik.

General Secretary and Treasurer : Dr. S. C. Roy.

Assistant Secretaries : Mr. M. Moulik ; Mr. Shibmohan Ghosh.

The same meeting elected the Governing Body of the Calcutta College of Insurance as follows :—

Chairman : Mr. D. P. Khaitan, M. A., B. L.

Secretary : Mr. H. K. Sarkar, M. A.

Jt. Secretary : Mr. G. Basu, F. S. A., A., A.
I. S. A. (Lond.)

Members : Prof. J. C. Mitra, Dr. S. C. Roy,
Dr. R. Ahmed, D. D. S., Mr. T. Dutta, M. A., B. L.
Mr. S. N. Banerjea, M. A., B. Com., G. D. A.

Besides the above, a Publicity Committee was formed with the following gentlemen as members :—

Dr. S. C. Roy, (chairman) ; Mr. N. Guha (Commercial Gazette) ; Mr. A. T. Banerjea (Insurance Herald) ; Mr. H. L. Mukherji (Financial Times) ; Mr. Suren Niyogi (Sanhati) Mr. S. B. Roy Choudhuri, Secretary.

Sir James Grigg

Responsible circles have highly welcomed the appointment of Sir James Grigg, K. C. B., as India's new Finance Member in succession to Sir George Schuster, K. C. S. I., K. C. M. A., C. B. E., M. C. It is certain that Sir James's valuable experience of the British Treasury will be brought to bear upon the financial administration of India. Educated at St. John's Colloge, Cambridge and a Wrangler, having secured tripos in Mathematics, he joined the Treasury in 1913, became principal Private Secretary to successive Chancellors of the Exchequer from 1921 on to 1930, became the Chairman, Board of Customs and Excise, November, 1930, and Chairman, Board of Inland Revenue next month. It is believed that Sir James Grigg will in all probability be appointed Financial Adviser to the Federal Legislature when the new constitution will come into force.

Considerable importance and responsibility attaches to the position which Sir James Grigg will occupy just before the inauguration of the Reserve Bank. By the control of currency and credit being entrusted to an independent

authority, the duties of the next Finance Member will naturally be lessened, but as a set-off there will be the many financial problems connected with the Federation, and Sir James Grigg's work in India will not be less arduous than that of his predecessors. We hope that his tenure of office will see the realisation of the economic recovery which seems now in sight.

Sir Daniel Hamilton's Scheme for Bengal

In a paper read at the Calcutta University Sir Daniel Hamilton suggested a scheme of cash credit for the economic reorganisation of Bengal and of India. He drew his inspiration from the marvellous progress and prosperity which the system had worked in Scotland where this species of credit was invented. He suggested the financing of the people by grouping them into co-operative societies composed of men who could be trusted to make good the money they would receive in return.

Cement Trade Statistics

In order to form an approximately true idea about the progress and procedure of concrete and cement trade in India the following table would be of some actual help :

	Indian		Total consumption
Years	Productions	Imports	
1920	91,253	113,507	209,760
1921	132,812	107,009	238,821
1922	151,336	109,924	261,260
1923	234,936	98,481	333,417
1924	263,936	88,416	352,162
1925	360,549	68,200	428,749
1926	338,006	54,300	442,806
1927	477,742	69,000	546,742
1928	557,953	74,700	632,653
1929	560,682	74,800	635,482
1930	559,856	68,000	627,856
1931	587,806	62,500	650,306
1932	582,182	59,000	641,132

Indian Motor Imports since 1913-14

The following table shows the imports of motor cars into India during each year since 1919-20 compared with those for the pre-war year and the war averages :

NUMBER OF MOTOR CARS IMPORTED.

	United Kingdom	United States	Canada	France	Italy	Other Countries	Total
Year 1913-14 (pre-war)	1,669	868	—	111	7	225	2,880
War average (1914-15 to 1918-19)	537	1,681	—	49	28	22	2,317
Year 1919-20	448	9,353	20	3	17	84	9,925
" 1920-21	2,541	10,120	1,938	192	218	423	15,432
" 1921-22	790	802	576	158	222	347	2,895
" 1922-23	449	1,386	1,846	61	131	450	4,323
" 1923-24	1,005	2,865	3,290	153	370	301	7,984
" 1924-25	1,682	3,106	3,956	215	235	186	9,380
" 1925-26	2,399	4,143	4,775	367	860	213	12,757
" 1926-27	2,546	4,030	4,476	607	1,416	122	13,197
" 1927-28	3,600	6,031	3,400	538	1,367	186	15,122
" 1928-29	3,645	10,145	4,366	277	967	167	19,567
" 1929-30	3,758	9,620	2,318	364	1,150	189	17,399
" 1930-31	2,885	5,098	3,250	261	917	190	12,601
" 1931-32	2,178	3,368	676	161	510	327	17,220
" 1932-33	3,958	1,201	296	84	226	436	6,201

Scindhia Steamship (Burma) Ltd.

A private shipping Company, known as the Scindhia Steamship (Burma) Ltd., was registered on December 21, 1933 in Burma. The Capital of the Company is Rs. 25 lakhs, divided into shares of Rs. 1000 each. The first directors are Messrs. Walchad Hirachand, S. N. Morarjee, L. Naravjee, S. N. Haji, J. D. Buki, and Ahmed Chandoo.

Associated Chambers on Postal Insurance

At the annual meeting of the Associated Chambers of Commerce in Calcutta on Monday, on the motion of a representative of the Punjab Chamber of Commerce the following resolution was adopted :—"This Association, having regard to the lack of facilities, for the remittance of money to and from the

small towns and business centres of the country, recently intensified by Government's attitude towards remittances by half currency notes, recommends that, with a view to cheapening the alternative facilities for remittance by the public, the postal insurance fees be reduced particularly for large sums and that the present maximum limit of Rs. 3,000 in the case of insured articles be considerably increased." Sir Frank Noyce, Member for Industry and Labour to the Government of India who was present by invitation, pointed out that great care and precaution had to be taken by the Post Office in handling insured articles, in view of which the authorities had no reason to believe that the existing charges were too high.

*The country of origin of many of the cars imported from the United States of America during the years previous to 1920-21 is Canada.

Hazardous Occupations

The Government of India has notified that it is intended to declare the following occupations, namely,—(i) the felling and logging of trees, (ii) the transport of timber, (iii) the control of extinguishing of forest fires, and (iv) elephant-catching operations, as hazardous occupations, and to direct that the provisions of the Workmen's Compensation Act of 1923 Act shall subject to the provisions of section 2 (3), apply in the case of any person who is employed in any such occupation. Any suggestions or objections to the foregoing proposals must reach the Government of India not later than January 31, 1934.

Insurance and the Dollar

The following paragraphs quoted from *Commerce* will be self-explanatory and interesting :

Although the British insurance companies have very large interests in America, the collapse of the dollar is for them a matter of quite minor importance. Holders of insurance shares need not, therefore, concern themselves with this feature and with the reports which have appeared in the financial columns of some of the national newspapers to the effect that this collapse is likely to have a prejudicial effect on the general security and dividend-earning capacity of their holdings. Certainly, on a first superficial consideration of the fact that the holdings of the British companies of securities in dollar currency run into some hundreds of millions of dollars, the conclusion might be formed that the depreciation in the value of these securities in terms of sterling, which the collapse of the dollar implies, is a very serious matter. Such a conclusion is, however, entirely erroneous, because the value of these dollar securities in terms of sterling does not affect, except in a very small degree, the normal routine of the trading operations of our companies in the United States.

A true perspective of the effect of the collapse of the dollar can only be obtained by remembering that the main trading operations of British companies with America are conducted entirely in the dollar currency. Premiums are received, for example, and claims and expenses are paid in dollars. Naturally, also, as the liability of our companies under their contracts to 'American policyholders is in terms of dollars, the reserves held against these liabilities are either in dollars or dollar securities. In other words, the business of British insurance companies in America must be regarded as a more or less self-contained unit working entirely on the dollar currency. Fluctuations in the value of the dollar in terms of sterling of other currencies in no way affect the normal routine of that business, and have only to be considered when it is necessary for some reason or another to remit funds to or receive funds from that country.

New Opening for Indians

The post of commercial manager of airways offers a new opening for Indians, and Mr. Nripendra Nath Mitra is now completing his practical training at the Imperial Airways and Indian Trans-Continental Airways Office at Karachi, to fit himself for such a post. He has recently returned to India after undergoing a course in internal organisation at the Imperial Airways headquarters at Croydon. On completion of his training here Mr. Mitra will be placed in charge of one of the Airways stations.

Dacca Municipal Loan

The Dacca Municipality has decided upon taking a loan of Rs. 2,40,000 for tar-macadamising all important roads of the city. It will be redeemed in ten years partly out of the money set apart annually for the repair of roads.

Mussolini and Insurance

That marriage is not a perpetual honeymoon, but carries definite responsibilities which no bridegroom should try to evade was impressed upon the 2,500 couples who, under the patronage of Mussolini, participated recently in the first mass nuptial ceremony ever held in Italy. After the festivities Mussolini presented each of the couples with 500 lire, collected from old bachelors, and in addition a *Life Insurance Policy*. He further extorted the newly-weds to increase their insurance, through thrift, until a proper prospective total is carried.

Fire Deaths in U. S. A.

he Policy records that about 10,000 people lose their lives because of fires.

Toll of Streets in London in 1933

A statement recently issued by the National "Safety First" Association gives the following facts:

The number of persons killed in road accidents shows an increase of 16¾ per cent and the number of injured an increase of 9 per cent during the months of July, August and September this year, as compared with the same period last year. The first nine months of this year show increase of 8¾ per cent in the number killed and 5¼ per cent in the number injured as compared with the same period in 1932.

These results are compiled from figures supplied to the National "Safety First" Association by 227 out of 234 Chief Constables, and cover the whole of Great Britain except King's Lynn, Merthyr Tydfil, Norwich and Ramsgate, and the county areas of Durham, Northampton, and Staffordshire, for which figures have not been received.

During the nine months, the number of deaths in the Metropolitan Police Area increased from 891 to 1,041, in Kent from 129 to 134, though in the City of London the number fell from 13 to 10, in Surrey from 75 to 53, and in Essex from 99 to 78.

It is noteworthy that places where local safety activities are energetically undertaken compare generally very favourably with places where nothing special is done. The association advocates that every centre with a population of over 10,000 should form a branch of the association.

Harpell Again

Mr. J. J. Harpell, who was sentenced to imprisonment in Canada for a defamatory libel on the Sun Life Assurance Company in Canada continues to be a source of annoyance to his countrymen. He is reported to have been arguing with his lawyer over the little bill of costs. The lawyer has submitted an account for \$ 5,000; but on the matter going before the Superior Court of Montreal, it was decided that \$ 3,000 should suffice.

Motor Hazards in Rhodesia

The Policy records the incident of a collision between a car and a hippopotamus while the driver was motoring to the Victoria Falls. The hippo rushed out from a roadside grove and smashed the car front. The owner's wife had her kneecap broken, and the driver and his daughter suffered shock and bruises. The hippo was almost unhurt and retired to the grove.

Bani Fabrik

We welcome the foundation of a new Bakery at Calcutta of the above name which has already started operation. This new institution augurs well for its future under the

NOTES AND GLEANINGS OF THE MONTE

fostering care and watchful management of Dr. J. N. Basu, who, besides having acquired expert training in Germany and other continental countries and a Professor at the Jadavpur College of Engineering and Technology, is engaged in the development of small scale national industries, and Mr. B. B. Sil, a veteran business man. We wish the enterprise all success.

Forecasting Business Expansion—Lecture at Bangiya Dhana-Vijnan Parishat

"Forecasting has always been a normal phenomenon in the daily life of individuals and of course of business men and finance ministers," said Prof. Benoy Sarkar while introducing the lecturer Sj. Gopal Chandra Roy B.Sc., B. L. at the recent meeting of the Bengali Institute of Economics. He said further: "But in recent years economic and financial forecasting has grown into a special science based on the statistical study of day to day developments. The theory of value, the central subject of economics, has taken a new shape in the form of theory of crises. It is more proper now to say that economics is the science of crisis rather than the science of wealth. Barring the research activities of the Bangiya Dhana Vijnan Parishad on statistical and factual basis, the Bengalees have devoted attention mostly to economic history. It is now time that there should be within the country a set of people who would make a comparative study of value in its new aspects and study the economic barometer in its proper perspective." He stressed on the influence of higher mathematics, calculus, on economic measurements and desired that Bengal should pay attention to it especially as Bengalees are taking more and more to new businesses like coal, jute, bank, insurance,

tea etc. He sounded a note of hopefulness and was sure that an industrial boom was not far distant.

Amongst others were present Prof. Banerjee, Dr. N. Law and Messrs Biren Das Gupta, J. N. Sen Gupta, Sudhish Biswas Shib Chandra Dutt, Nagen Chowdhury, Haridas Palit, Capt, N. M. Ray Chowdhury, Messrs Kamakshya Bose, Moni Moulik, and Sudha De.

The Lecturer, Gopal Chandra Roy spoke on "Forecasting Business Expansion." He said that fluctuations have a systematic growth or decay. That these are not purely accidental phenomena is a problem that would strike every one if he gives a few moments' reflection.

Note circulation of Canadian Chartered Bank, or Wheat receipts at Fort William and Port Arthur, Canada or Pig iron production in the U. S. and there are many other examples which on analysis show that the fluctuations in each of these series of business there are three typical movements *viz.* (i) a long time trend, (ii) seasonal variation and (iii) cyclical variation.

The principles by which these three typical fluctuations with respect to time have been isolated and studied depend upon mathematical processes known as the method of Least Square for the determination of trend, the Median-link-Relative method for seasonal variation and the Fourier's or Periodogram analysis for cyclical variation. The peculiarity of these analysis is that each of the typical movements of a business item is expressed with regard to time only, *i.e.* it may be said beforehand some two months or six months hence what will be the value of Trend, of seasonal variation and of Cyclical variation. The basis on which such forecast with respect

to each of these types of variation is made depends upon the fact that each of these variations is connected by equations expressed in terms of time.

Having analysed and knowing the definite relation that is linked up with each of these variations, by the reverse process of synthesis forecast of a business item can be made, which, however, by further finer treatment may be corrected by a mathematical process of smoothing of data for accidental causes such as famine, war etc.

By similar process the price fluctuation of Raw Jute in Calcutta was analysed by the speaker. His forecast as given to the Bengal National Chamber of Commerce and as testified by observation with actual price later on which were read are as follows :

RAW JUTE PRICE IN CALCUTTA

Date when forecast was made.	Date for which forecast was made.	Price per Md. forecast	Price Observed.
23-1-33	4-2-33	Rs. 4-14	Rs. 5-2
	11-2-33	5- 0	5-0
	18-2-33	5- 0	5-2
	25-2-33	5- 0	5-2
	5-3-33	4-14	4-14
	11-3-33	4-12	4-12
	18-3-33	4-11	4-14
	25-3-33	4-10	4-14

After the lecture a group photograph of the members of the Bangiya Dhana Vijnan Parishad and gentlemen present was taken.

Another Handsome Donation

We have very great pleasure in announcing that Mr. A. C. Sen of the Empire of India Life Assurance Co., Ltd. has donated a sum of Rs. 50 to the Calcutta College of Insurance.

The College has already enlisted the sympathy of all well-wishers of Indian insurance, and it is fortunate in having obtained the patronage, extended so kindly and ungrudgingly, of Mr. A. C. Sen, the popular Commercial Magnate of Bengal.

2, Royal Exchange Place

In the wake of the New Year, the above premises in Royal Exchange Place, Calcutta, seem to be growing into a hive of business activity, and have grown in importance by accommodating the following four important offices with effect from January 2, 1934 :—

- (1) Bengal National Chamber of Commerce
- (2) Indian Institute of Economics
- (3) Indian Insurance Institute
- (4) *Insurance Herald*

Respective constituents please note.

Change of Address

The Calcutta Branch of the East and West Insurance Company Ltd. has shifted to more commodious premises at 37, Strand Road with effect from the 2nd January last.

* * * *

The office of the Aryasthan Insurance Company has been removed to 2, Dalhousie Square, Calcutta.

Wall Calendars

We have much pleasure in acknowledging the receipt of nice wall-calendars from the following insurance offices and firms :—

- (1) Hindu Mutual Life Assurance Ltd.
- (2) New India Assurance Company Ltd.
- (3) India Equitable Insurance Company Ltd.
- (4) Sreekrishna Printing Works.
- (5) People's Insurance Co., Ltd.

A Tea Party

A tea party was given at the Imperial Restaurant, Calcutta, on Saturday, the 23rd ultimo, under the auspices of the New Asiatic Life Insurance Company of Delhi, to meet the Board of Directors, Mr. B. M. Birla, Mr. L. N. Birla, Sir B. B. Ghosh and Pandit Hriday Nath Kunzra. The guests were received by Mr. Hemanta K. Sircar, the General Manager.

Personal Pars

Franklin B. Mead, Executive Vice-President of the Lincoln National Life Insurance Company, Fort Wayne, died on November 29, 1933, at the age of 58.

A number of shares valued at Rs. 20,000 in Railway and other companies in Calcutta belonging to Pandit Jawaharlal Nehru were attached by the Government on account of the arrears of income-tax.

The late Mr. Vithalbhai Patel has left a sum of money amounting to Rs. 1,00,000 to be spent for the purpose of India's political uplift, preferably for publicity work on behalf of India in foreign countries.

Sir N. N. Sircar has joined the Basanti Cotton Mills of Calcutta as a Patron-Director.

Sir Sultan Ahmed, K.T. PL., Chairman, Great Asoka Assurance Company of Patna was entertained at an Afternoon Party by Messrs. A. L. Ojha and P. D. Himatsingka, Directors

of the Company, on 31st December, 1933, at the Imperial Restaurant, Calcutta.

Mr. J. N. Basu, M.A., M. L. C., performed the opening ceremony of Calcutta Celluloid Works Limited on the 15th January, 1934. Mr. J. N. Bose is the Managing Director of this new concern.

Dr. S. C. Roy, Managing Editor, *The Insurance and Finance Review*, delivered a lecture on "The Need for Insurance Education," at the Calcutta College of Insurance on 13th January last.

Mr. Walchand Hirachand, President of the Scindhia Steam Navigation Company of Bombay, has been reappointed a member of the governing body of the training ship *Dufferin* for two years.

The Indian Sugar Mills Association nominated Mr. D. P. Khaitan as its representative and Mr. M. P. Gandhi as adviser to the Sugar Conference convened by the Government of Bihar and Orissa and held at Patna on the 4th instant.

Mr. D. K. Bhanmik, B.A., B.L., an experienced insurance worker, has been appointed Inspector of Agencies at Calcutta of the New Asiatic Insurance Company Ltd. of Delhi.

Mr. S. K. Sen Gupta, B.A., who have had considerable practical training in banking, has been appointed Assistant Secretary to the Union Bank of Bengal Ltd. Calcutta.

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THE INSURANCE & FINANCE REVIEW

Mng. Editor—DR. S. C. ROY, F.C.C.S. (Lond.), F.R.E.S. (Lond.)

Editor—MONINDRAMOHON MOULIK

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Editorial

An Epic Tragedy

When we referred to the earthquake shocks that were felt in Calcutta on the 15th January, 1934, in our last issue, little did we know that the same shocks had devastated several districts of North Bihar and the borders of Nepal. It had wrought havoc with thousands of lives and works of art and civilization. The direct cause of the present earthquake has not yet been determined, but experts believe that the epicentre of this earthquake lies somewhere near the foot of the Himalayas. Conflicting opinions have been offered regarding the direct cause, but they make no difference to the dire consequences that have followed in the train of the earthquake. The most affected places are the towns of Patna, Muzaffarpur, Monghyr, Darbhanga, Samastipur, Madhubani, Jamalpur—all of them being

very flourishing cities of the province of Bihar, and the villages of these districts. In Muzaffarpur and Darbhanga there was not a single house which could withstand the shocks. All buildings were levelled down burying thousands of inmates under the debris. The woeful tales of desolation, destitution, hunger and pestilence that have continued to pour in gives the impression of those places as resembling the towns as they appear after a heavy bombardment. The wrath of gods has never been before hurled upon man in a more ruthless and unrelenting manner. Human beings, after all, are helpless creatures ruthlessly ruled by a will that knows no pity.

It is, however, very consoling to think that the whole nation has been awakened to the need for relieving the survivors of their temporary ailments and protectin the mg

against hunger, disease and death. A national calamity of such magnitude as the present earthquake when all sections of political opinion, religious communities, and sectarian interests have gathered under the single banner of relief work and who have ungrudgingly contributed towards the relief funds, merely reiterates our conviction in the fundamental unity of India—unity of purpose and unity of action—that is often blurred by superficial diversities.

Several big Funds have been raised in India by the Viceroy, Mayor of Calcutta, Sir P. C. Roy, Babu Rajendra Prasad and the Mayors of other cities as well. Mr. Santosh Kumar Basu, Mayor of Calcutta, has taken a very leading part not only by raising funds and uniting all communities in such an endeavour but by also visiting the afflicted areas and giving his valuable assistance to the relief workers and sufferers. Relief funds have also been raised in London, Paris and several other continental cities which shows the magnitude of devastation and ruin. The funds so far collected would together amount to nearly forty lacs of rupees (Rs. 40,00,000), which is considered too much inadequate for the purposes of relief. It is estimated that crores of rupees will be required for the work of reconstructing Bihar and rehabilitating its trade and commerce, the foundations of which have been rudely shaken by the disaster. It will undoubtedly take years to rebuild Bihar in all its essential activities, and we wonder

if the required money could be collected through public charity only. It has been proposed to raise funds from loans granted by the Government and by local municipalities under the guarantee of the State, but it is yet uncertain whether the Governments of India and Bihar and Orissa would come forward with the necessary money for the reconstruction programme. The face of the province has been materially changed in many places, owing to the geological redistribution of the earth's crust as a result of earthquake shocks, and it is perhaps not merely an idle dream to visualise the new Bihar as a new heaven, at least a better place to live in, to move about and to love that it had been all the time in the past.

The Consumers' League

In the year 1931, Sir Arthur Salter, Economic Adviser to the League of Nations, was invited by the Government of India to study the economic conditions of the country and to suggest ways and means by which economic welfare of the country could best be secured in harmony with a policy of national economic development. Among the principal recommendations of Sir Arthur Salter was the suggestion for the creation of a Central Economic Council assisted by provincial Economic Councils representing the various interests of the country, *e.g.*, agriculture, industry, consumers, labourers, learned professions etc. Almost all the principal groups of economic activity have organised

themselves more or less except the consumers in India. The producers and capitalists have their Chambers of Commerce, the industrial labourers have their Trade Unions, the Zemindars and land-owners also are organised more or less in a strong manner. But nowhere in the whole of India do we find an organisation of consumers, the interests of whom are largely involved in the various economic enterprises and legislation in the country. As a matter of fact, the economic problems of the country have not yet been properly studied in the perspective of consumers either by the universities or by private institutions. The present industrial organisation of the country, conditions of internal trade, the tariff policy of the Government all make it imperative for those who have the interests of consumers at heart to carry on investigations to find out how the consumers are placed in our national economy.

It is indeed a happy sign that a movement is already on foot for the formation of an association of Indian Consumers in Calcutta entitled "The Consumers' League." Our readers are fully aware how we have been advocating the formation of such an

association in the country, the tasks before whom are plenty and are designed to further the larger interests of the community as a whole. Such a League may attempt to achieve among others, the following objects :

- (1) prevention of the adulteration of food stuffs which is sapping the vitality of the nation ;
- (2) standardization of weights and measures ;
- (3) enforcement of just prices, and abolition of profiteering ;
- (4) encouragement of the adoption of rationalized methods of production in agriculture and industry ;
- (5) co-operation between the consumer and the producer with a view to eliminating wasting production and relating production to demand ;
- (6) framing of the tariff policy of the State in the best interests of the people ;
- (7) promotion of consumers' co-operative movement,
- (8) abolition of monopoly profits and similar other things.

We understand a provisional Committee consisting of several reputed professors, economists and journalists of this city has been formed to formulate a definite programme and plan of action, and to organise public opinion in the matter. We wish the League every success.

The Economic Expansion of the Bengali People

BY PROF. BENOY KUMAR SARKAR

[Signs are not wanting to indicate that the attention of the Bengali people has been seriously directed towards taking a greater and greater part in the business enterprises of India both at home and abroad. It is at our request for an objective stock-taking of Bengali industrial and commercial activities such as may point to our attainments as well as limitations that the following paper has been prepared by Prof. Benoy Kumar Sarkar, of the Calcutta University, Hon. Professor of Economics and sometime Rector at the College of Engineering and Technology, Jadabpur, Calcutta, Membre Correspondant de 'la Société d' Economie Politique de Paris, who was for two semesters (1930-31) Guest-Professor at the Technological University of Munich at the invitation of the Bavarian Ministry of Education in collaboration with the Deutsche Akademie.—Editor.]

The expansion of life can be measured objectively like the expansion of rocks or rivers. In the case of group life it is possible to examine the expansion not only from the standpoint of numbers but also from those of institutional structure and functions or activities.

POPULATION GROWTH

The Bengali people has grown 38 per cent in fifty years. This is the average rate of growth for All-India also. This shows that Bengal has neither declined nor grown relatively less than other parts of India. Every Division in Bengal embodies this expansion, although at different rates. Chittagong and Dacca's rates of growth are between 60 and 90 per cent whereas that for

Burdwan, Presidency and Rajshahi is between 17 and 27 per cent. The average Bengal rate is higher than that of France, Czechoslovakia and Spain. It is time to get rid of the conventional, erroneous ideas about the demographic conditions of Bengal.



Pramatha Nath Bose

IMPROVEMENT IN DEATH RATE

We should likewise pay due heed also to the fact that mortality conditions in Bengal have improved. The annual death rate has come down in certain areas from 30 to 21 per thousand inhabitants. It is the lowest in Chittagong Division, and lower in Dacca than in Burdwan and Presidency Divisions. In the interest of further improvement we should urge for the enactment of a Public Health Act in Bengal on British and German lines. But

it should be unwise in any case to ignore the improvements, however modest, that are already patent.*

CONTRIBUTIONS OF THE FOREIGN-BORN

Very often it is suspected by us that most of these improvements in Bengal are enjoyed exclusively by non-Bengalis. But there are not more than 363 non-Bengalis per 10,000 inhabitants in Bengal. In fifty years the growth is only 50 per cent, whereas in England the

helping forward the material and cultural progress of the Bengali people owe their present position in the main to the manual labour of non-Bengalis. The contributions in capital from non-Indian as well as from the so-called "Marwaris" are likewise considerable. Co-operation with Marwari and British finance will remain the bed-rock of Bengali economic expansion for some long time to come.

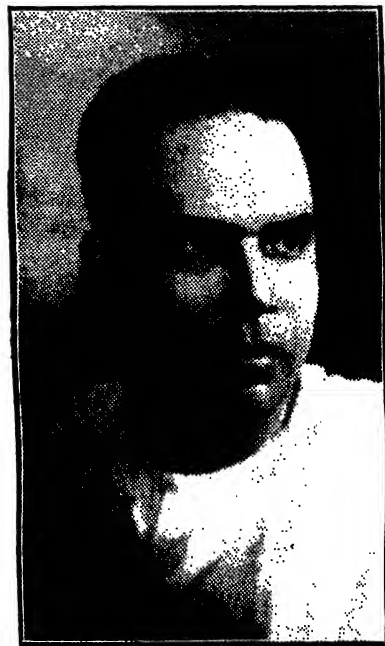
STRUCTURAL CHANGES

Among institutions the like of which did not exist in Bengal a generation ago are to



Brajendra Kishore Roy Choudhury

growth of foreign-borns during the same period is 100 per cent, in France 123 per cent and in Germany 344 per cent. Besides, the positive services of the foreign-borns must not be ignored or minimized. The tea-gardens, coal mines, railways, jute-works and other enterprises which have been directly and indirectly



Nalini R. Sarkar

be named the co-operative societies of peasants, the trade unions of working men, the chamber of commerce and trades associations of merchants and industrialists. The Zamindars (land-holders or rent-receivers) whose work in the economic and cultural development of Bengal is well recognized by the leading men of the Mofussil have also established associations in almost every district. Then we have the organized

* Sarkar: "Comparative Birth, Death and Growth Rates" (*Journal of the Indian Medical Association* Calcutta, May 1932).

movements of the so-called lower castes. Last but not least, the dozens of institutions run by and for women for educational and social welfare point to some of the most creative features in Bengali society. Structural changes of a profound character mark therefore the present-day morphology of the Bengali people.

BENGALI BUSINESS ACTIVITIES

The character of the Bengali people has likewise undergone a tremendous transformation as manifest in the development of new qualifications, aptitudes, activities, and professions. Company promoters and directors, bank managers, insurance agents, manufacturers, exporters and importers, news agents, these constitute some of the new social classes of today. Incidentally, it may be observed that in Bombay, the Punjab and the C. P. Bengali coal merchants are prominent figures as well as Bengali engineers and chemists.

Last year three exhibitions were held in Calcutta, and several in the Mofussil. The shows do not appear to have been very striking. And yet the progress made by the Bengali people as manufacturers and merchants in the course of the last two decades or so could not but be noticed by those observers who are used to watching the happenings in Calcutta from year to year.

The feeling is one of all-round expansion in the economic activities of the Bengali people. And in and through this expansion is manifest the tremendous remaking of social Bengal that has been consummated.

HOMAGE TO RAMMOHUN ROY

1933 was the year of the centenary of Rammohun Roy's death. Perhaps nothing demonstrates more effectively and objectively the amount and variety of reconstruction in Bengali character and qualifications that has

taken place in this century than the factories, firms, companies, and associations, such as point to the remarkable development of Bengali enterprise in industry and commerce. These exhibitions have thus unconsciously turned out to be some of the most important expressions of the Bengali people's homage to the genius and spirit of the remaker as embodied in the thousand and one activities of Rammohun.*

BENGALI ENTERPRISES SMALL BUT NUMEROUS

But one feature of these exhibitions could not escape anybody's notice. They were all small in dimensions.

Here, indeed, we touch the very speciality of our Bengali enterprises. They are small in size but large in number. The multiplicity of ventures as well as the smallness of the undertaking constitute the fundamental characteristic of our economic activities.

It is interesting to observe that Bengal is in this regard essentially different from Bombay. Some time ago the number of joint stock companies in Bombay was something like 800 whereas Bengal possessed more than three times this number, not less than 2600. But the Bombay concerns as a rule are fairly large-sized, the average capital of each being nearly Rs. 1,250,000. In Bengal, on the other hand, the concerns, no matter whether Bengali, or non-Bengali, Indian or non-Indian,—are rather petty, each with less than one-third the Bombay average, namely, about Rs. 400,000 as capital.†

* Sarkar: "The Pursuit of Science and Scientific Research in Modern Bengal" (*India and the World*, Calcutta, 1932, December and 1933, January).

† Sarkar: *Umfang und Kapitalkraft der industriellen Unternehmungen in Indien* (*Maschinenbau*, Berlin, 16 April, 1931).

In the immediate future Bengal is likely to remain a country of small business units, and our business heads should have to look upon, say, two to three hundred thousand Rupees as quite a decent financial outlay to strive after. The luxury of large enterprises and all the economics of "rationalization" such as such enterprises confer,—it may never be the luck of many of our present-day Bengali businessmen to enjoy.

It is not for them to cry for the moon in the shape of large scale production and trade. But like true pioneers they will be called upon to make the best of their small units and render them as economically worth while as possible. The "next stage" of our economic life will know how to organize fusions, amalgamations, cartels and similar formations.

FIFTY YEARS OF NEW BENGAL

But in the meantime the present developments will not fail to impress upon us the fact that the Bengali people has been expanding not only in education and culture but also in industry and commerce. Progress in science and technology will appear to be solid, no matter what be the rate at which progress is being achieved.*

Even fifty years ago, *i. e.* about the time when *Bande-Mataram* was being composed by Bankim Chandra Chatterjee and the Indian National Congress established, the number of Bengali Hindus as businessmen in modern forms of industrial and commercial endeavour could be counted perhaps at fingers' ends. Today the Hindu elements of the Bengali people have grown into a powerful community of technically equipped and scientifically efficient industrialists and traders of all denominations. The industrial and commercial

professions have been attracting not only the Sahas, Tilis, Gandhavaniks and Suvarnavaniks, the traditional business castes of Bengal, but the so-called intellectuals or higher castes as well.



Dr. S. C. Roy

The Kayasthas of Bengal today are not all scribbling clerks, the Vaidyas, not all Kavirajes with mortar and pestle, and the Brahmans, not all priests or cooks. Nor is the community of Brahmans, Vaidyas and Kayasthas at the present moment a community exclusively or chiefly of school masters, lawyers and medical men. The Bengali intellectuals, *bhadraloks* or castemen of the present generation can count among them hundreds, nay, thousands of manufacturers, factory-

* See the foot-note at the end of this paper.

directors, mill-managers, engineers, chemists, contractors, bus-owners, exporters and importers, shippers and carriers, aviators, bank officials, insurance agents, industrial artists, film producers, printers, publishers, journalists, and what not. The tone of life among caste-Hindus is being furnished not by lawyers and school masters but by businessmen, technologists, managers of industrial establishments, and company promoters.

TRANSFORMATION OF BENGALI CHARACTER BY NEW PROFESSIONS

The population of Bengal has grown, as indicated at the outset, only 38 per cent in fifty years,—from 37 to 51 millions. But in each of the so-called higher castes the number of persons that have taken to manufacture, export-import, banking, insurance, and transportation etc., in other words, the new lines of economic and professional activity, has increased several hundred per cent. Today their name is legion. The character of the upper-caste Hindus is in course of being entirely transformed on account of these new careers and means of livelihood. The caste-Hindus of Bengal have taken to industry and trade in a manner unparalleled in the Bengali annals of the nineteenth century and of course of previous centuries. The number of industrial and commercial magnates among Bengalis is yet insignificant. But not even Bankim would recognise us today as Bengalis, and naturally neither Rammohun nor the author of *Kavi Kankan Chandi*.

Virtually, none of the businesses, manufactures, commercial enterprises etc., in which Bengali brain and administrative power have been manifesting themselves so markedly today were known to or rather seriously attempted by the Bengalis half a century ago.

It is during the last decades, especially since the glorious *Swadeshi* Movement of 1905 that all these professions and careers have been assiduously explored by the adventurous and energistic spirit of Young Bengal and annexed to the realms conquered by Bengali ambition. This achievement of Young Bengal's deserves to rank as one of the most marvellous items in the social revolution of modern Asia.*

NEW TYPES OF INDIVIDUALS

Kshiti Sen-Gupta who has attempted fishery and agriculture and is now engaged in sugar plantation, Karuna Kar of the fisheries and land development enterprise at Dum Dum near Calcutta, Charu Guha (Germany-returned) photo-artist, Nirrajan Pal (England-returned) of the Dramatic and Publicity Film Co., as well as P. Mukherjee of the Punjab National Chamber of Commerce.

Jatin Datta of Barisal is in the stock exchange and share business, Monmotha De (Japan-returned) of Malda is directing the Silk Institute at Bhagalpur. The Bengal Canning Co., of Anath Sarkar (America-returned) is popular. Akhil Chakrabarti of Rajshahi, tube-well borer, and Khagen Mitra of Malda, engaged in vegetable gardening, are likewise both America-returned.

The timber merchant and contractor Jatin Chakrabarti of Barisal, Charu Ghosh of Ganesh Rice mill, and Jogesh Mookerji of Dacca, proprietor of Calcutta Builders' Stores, the oil mills of Raja Reshee Case Law, Bipin Bihari Sadhukhan and others are well-known in Calcutta. All-Bengal fame is enjoyed by G. Ghosh of Dacca, manufacturer of *til* oil.

H. D. Mallik of Nadia is jute-broker at Hamburg in Germany, Ahin Chatterjee and

* Sarkar: *The Futurism of Young Asia* (Leipzig, 1922), pp. 206-302, 368-377.

Mukunda Chakravarty are in hardware business, Ishan Chakrabarty of Rangpur is a cloth dealer, mica business has attracted Sisir Kumar Shome. The French Laundry which has been in business for nearly twenty years is a Bengali concern.

WELL-KNOWN NAMES

Of substantial importance in Bengali society is Dr. Kurtie Bose, manufacturer of and dealer in scientific apparatuses, who like the illustrious Prafulla Chandra Ray, is indeed one of the founders of the Bengal Chemical. Equally important as a distinguished Bengali businessman is the insurance organizer, Abinash Sen of Comilla, whose National Agency Ltd., manages also a large number of tea estates.

As owners, directors or managers of big business such as would be regarded as big by higher Indian standards also, we may mention Satis Chowdhury of Mymensingh and Sachchidananda Bhattacharya of Faridpur, whose connections with the Banga-luxmi Cotton Mill, Shillong Motor Service, Woollen Manufacturing Co., of Amritsar (Punjab) etc., are well-known. In the same category of Bengali businessmen enjoying all-India reputation are the Roy's of Bhagyakul (Dacca), whose Premchand Jute Mills and East Bengal Shipping Service have served to break new ground for Bengali talent.

ZAMINDARS IN BUSINESS

The Zamindars (land-holders) also have been showing evidence of the acquisition of industrial and commercial aptitudes.* Brajendra Kishore Roy-Chowdhury of Gouripur (Mymensingh), Kumar Sarat Roy of Dighapatia (Rajshahi),

Kumars G. C. Law Suren Law, Dr. N. Law and others of the Law family of Calcutta, Satyendra Mohan Ray-Chowdhury and Nalini Ray-Chowdhury of Tapa (Rangpur), the Roy Family of Bhagyakul (Dacca), Surendra Nath Sen of Barisal, Radhika Roy-Chowdhury of Tarash (Pabna), the Pakrashis of Sthal (Pabna),



Abinash Chandra Sen

Ramani Roy of Chowgaon (Rajshahi), Bhaben Roy of Narail (Jessore), Manindra Chandra Roy-Chowdhury and Radharaman Majumdar of Rangpur, Tulsi Goswami of Serampore, Ramanath Das of Dacca, Arun Sinha of Paikpara, Raja Prasanna Deb Raikut of Jalpaiguri and others have interest in modern business not only as share-holders but to a certain extent as director and managers as well. And the activities comprise diverse lines from agri-flori-horticulture, poultry-farming, and mining

* Sarkar : "Bengali Zamindars and Bengali Industry and Commerce" (*Arthik Unnati*, Calcutta, September, 1933).

to banking, insurance, printing, publishing and so forth. Finally, one can never forget the manifold activities of the late Maharaja Manindra Chandra Nandi of Cossimbazar in the promotion of modern business, industry and technical education in diverse ways.

MANAGERS OF COTTON AND HOSIERY MILLS

Bengali business brain is today responsible for the management of several cotton mills. Ramanath Das of Dacca, Akhil Guha of Mymensingh, Jiten Roy of Pabna, Manab Kundu of Dacca, Prof. Atul Sen of Barisal, Girija Chakrabarti of Kustia, and others have enriched the Bengali people with new administrative experience. About a dozen and a half of hosiery mills,—Beliaghata, Parjoar—Howrah (Anath Guha), Calcutta Hosiery (Jatin Hui), Pabna Silpa Sanjibani, etc.—are being run by Bengalis in different parts of the country.

BUSINESS MEN IN COAL MINES AND TEA ESTATES

A large number of West Bengal men has been attracted to coal-mining and coal business. The pioneers in this line were the late Nibaran Sarkar of Burdwan, Nilmoni Chowdhuri of Tarakeswar, Jadab Banerji of Birbhum and Mukunda Laik of Barakar. Among the coal men of today Bipin Bose of Twentyfour Pergannahs, Prasad Datta of Howrah, Bata Kristo Roy of Maubhum, Baidyanath Mandal of Burdwan, and Biswanath Sanyal of Calcutta are well known. Bijay Chatterjee of Bankura, ex-M. L. C. is a coal man. Sushil Ghosh of Beliaghata and a number of Banerjis, such as Satyakinkar, Woomeshchandra, Rai Bahadurs Haripada and Abinashchandra, and others have also

built up their names in the coal industry and trade.

Tea has likewise engaged the business capacity of Bengalis,—especially in North and East Bengal. Moni Datta, Paresh Bhattacharya and Jogesh Das-Gupta of Comilla, Jogesh Ghosh, Tarini Roy, Prof. Jogesh Mitra, Satis Roy, Rajen Niyogi, Satinidhan Roy, Nalini Rahut, Upen Mukerjee and others of Jalpaiguri have acquired a position in this business.

MANUFACTURERS

Among manufacturers we have Dhiren Saha (educated at the College of Engineering and Technology, Jadabpur) who makes Clyde fans, and Madhusudhan Majumdar (also



Susil Chandra Ghosh

educated at Jadabpur) who makes motor batteries. The one has come back from Glasgow and the other from the U. S. A. Jiten Bhattacharya, Atin Roy, Prafulla Chatterjee and other founders of the engineering works, known as House of Labourers, Comilla, have a name in East Bengal. All-India reputation is enjoyed by Satya Sundar Deb (Japan-and Germany-returned), founder

of Bengal Potteries, and Dinesh Majumdar, (also Japan-and Germany-returned) of Gwalior Potteries.

P. C. Ray, manager of match factories Jiten Ganguli (America-returned), manufacture of electric blubs and canvas belting, Sures Bose (Germany-returned), manufacturer of ice at Cuttack, Mammatha Ghose (Japan-returned), manufacturer of combs, Datta-Gupta, manufacturer of buttons, S. C. Dutt of Faridpur (Manchester-returned), manufacturer of motor boats, Ashutosh Lahiri and Rajani Bhattacharya of Rangpur, manufacturers of tobacco, Ashutosh Ganguly, Jiten Banerji and Jagadish Saha, manufacturers of soaps, Samar Sen, manufacturer of fountain pen ink, Fani Gupta, manufacturer of pencils, as well as Gokul Law, manufacturer of fountain pens, can not be ignored.

Suren Bose (America-returned) manufactures oil cloth in Calcutta, and Bhupati Bose at Malkhanagar in Dacca. The Bengali Ice-cream Manufacturing Co. of Dalhousie Square, the Soap Works of Jadabpur, the Sisir Soap Works of Dum Dum, the National Soap Works and the Das-Gupta Ink factory are becoming popular. Biren Sen of Barisal is a prime mover in the Calcutta Creamery and Dairy Ltd. Captain Naren Dutt's association with the Bengal Immunity Co. is known to publicists in Bengal.

Scores of small industries have already felt the touch of Bengali manufacturing genius. Be it observed that the Bengali constructive talent began for the first time to be in evidence when during the *Swadeshi* period of 1905-10 our great educational benefactors like the eminent jurist Rashbehari Ghosh as well as the philanthropist Maharaja Manindra Chandra Nandi and the illustrious Brajendra Kishore

Roy-Chowdhury came forward as patrons of industrial experiments.

MECHANICAL, ELECTRICAL AND CHEMICAL ENGINEERS

Biren Banerji (Germany-returned), A. C. Mitra, P. C. Mukerji and several other America-returned engineers are running the International Motors and Tyres Co, Calcutta. Bose is managing the Great Indian Motor Works, likewise at Calcutta. Suren Bose (America-returned) is head of the Electrical Engineering Department of Tata Iron and Steel Works, in which Naren Sen of Faridpur (also America-returned) has a position in the Mechanical Engineering Department. A very large number of Bengali engineers educated



Dr. Naren Law

at Jadabpur has been absorbed by the Tatas in diverse capacities. Deben Chowdhury and Bankim Roy, both America-returned, have had successful career as electrical engineers in different parts of India. The

one is now Superintendent of lighting installation in a Madras town and the other in the Calcutta Corporation. Satis Mitra, Rasik Datta, Adinath Sen and Karma Guha are employed as engineering and chemical experts in the Government of Industries, Department, Calcutta. The Chemical engineer, Prof. Bauesvar Dass furnished as he is with extensive practical experience in America and Germany, has likewise been a source of business inspiration and guidance to commercially minded people.

FOUNDERS OF CHEMICAL WORKS

It is not necessary to mention the Bengal Chemical as it is too well-known throughout



W. C. Banerjee

India as a big Bengali concern. Dr. Abinash Bhattacharyya (Germany-returned) of Comilla's Techno-chemical Laboratory manufactures acids, alkalis, medicines and drugs. The Asiatic Chemical Works of Jnanada Das-Gupta

(America-returned) of Barisal are functioning in the same line. Khagen Das-Gupta (America-returned) has been successfully managing the Calcutta Chemical Works for the manufacture of soaps, pastes, perfumes, oils, drugs etc. Among the directors of chemical concerns must be mentioned the names also of Rajsekhar Bose, Satis Das-Gupta and Suren Sen.

ARCHITECTS AND CONTRACTORS

Builders or architects, contractors and engineers have grown in number with the expansion of Calcutta. Jatin Banerjee, Aniya Sanyal, Nagen Sen-Gupta (concrete patent engineer), Sudhansu Chakravarty and others' names meet our eyes every day in the streets. Rai Mohan Banerjee of Bird Co. is an expert in bridge and concrete bricks.

EXPORTERS AND IMPORTERS

The electrical engineer Biren Das-Gupta of Dacca (America and Germany-returned) along with his partners Jatin Hui of Pabna, Satis Das-Gupta and others (all Germany-returned) is a pioneer of Young Bengal in the export-import trade with the Continent. Their Indo-Swiss Trading Co. has agents in different cities of India and they have an independent office in Hamburg. As importer from the continent Sarat Datta (Germany-returned) was another pioneer. Mahes Bhattacharya of Comilla has a name as an importer of chemicals. Butto Kristo Paul and Co., as importers of the same line are known to every Bengali, so to say. Manoranjan Ghosh of Faridpur is the manager of International Electrical Co. (an American concern).

TRANSPORTATION AGENCIES

In the carrying line Bengali brain has been functioning with some success. Owners and managers of bus companies are to be

found in every district. Sudhir Roy's Motor Bus Transport in Calcutta and Bhattacharya Co's Motor Service in Shillong may be singled out.

The Roys of Bhagyakul (Dacca) have been running the East Bengal Steam Service for a long time. The Brahman Serang, Bipin Bhattacharya of Dacca, has organized the Steam Navigation Co. at Ghatal (Midnapore).

The Bangiya Jalajan Samiti of the Indo-Swiss Trading Co. (Biren Das-Gupta) conducts ferry service in North Calcutta as well as passenger service in Khulna and Jessore. The Bengal River Service Ltd. has been recently started by N. K. Chowdhury and Co. to transport cargo between Calcutta and East Bengal.

Sudhansu Mitra has established the Overseas Corporation at Calcutta to serve as travel agents to persons going abroad. His office is in business contact with Ocean Liners.

In the construction of railways Bengalis have acquired experience in and through the activities of Upen Kar (Jessore-Jhenidah) and Deben Bhattacharya (Rajshahi-Malda).

BANK MANAGERS

Several thousand men are employed in the eight to nine hundred Loan Offices—those "cottage banks" of the Mofussil as well as for the Metropolis. Among managers may be singled out a few from Calcutta, for instance, Hiralal Sen-Gupta of the Union Bank of Bengal, Bhabes Sen of the Bhawanipur Banking Corporation, Jogesh Sen (America-returned) of Comilla Union Bank, Kshetra Dalal of Noakhali Nath Bank, Amitabha Ghosh (France-returned) of Calcutta Finance Company, and Jotish Das (America-returned) of Bengal Central Bank.

The management of banks in the districts is in the hands of men like Lalit Sanyal of

Bogra, Satis Ray and Atul Ray of Rangpur, K. P. Ray of Jalpaiguri, Jogin Chakravarti of Dinajpur, the Pakrashis of Pabna, Tripura Chowdhury and Mohini Das of Chittagong, Indu Datta of Comilla, and Upen Mukerji of Faridpur.

The Bengali people has confidence in the Bengali bank managers. It is not out of place to mention in this connection that the proportion of deposits commanded by the Bengali cottage banks in relation to paid-up



Banerjee Dass

capital is not less than that commanded, for instance, by the Central Bank of India.*

* Sarkar: *Applied Economics* Vol. I. (Calcutta 1932): chapter on "The Bank Capitalism of Young Bengal."

INSURANCE MEN

Insurance was pioneered in Bengal by, among others, that remarkable man, Ambika U'kil, who promoted at the same time banking and co-operation and left the impress of his business talent upon the U. P. and Bihar. Another pioneer in this line was Pannalal Banerjee. Many Bengalis have been successfully associated with non-Bengali insurance societies, for instance, Abinash Sen, Suren Gupta, Juan Ghosh-Dastidar, Indu Sen, Dr. Sures Roy, Prof. Hemanta Sarkar, Mani Datta, Pramatha Bose of Dacca, Mohini Mukerji of Barisal, Umesh Chakladar of Mymensingh, Mahatab Bhattacharya of Purulia and so on. Binod Roy worked as the acting manager at the head office of General Assurance Society of Ajmer. Suren Bose is managing the Bihar National Insurance Company Limited at Bankipore.

Among Bengalis associated with Bengali insurance companies may be mentioned Satyen Banerjee, Purna Roy, Jogen Ghosh, Nalini Ray-Chowdhury, Girija Sanyal, Karuna Kar, Prof. Nalinaksha Sanyal, Sures Ray and Prof. Suren Sen of Barisal. Of late, Bengali women also have entered the insurance business and agents and promoters. It is well-known, besides, that Suren Tagore, Ambika U'kil's friend and colleague, has taken a prominent part in insurance, and that Nalini Sarker is today the *doyen* of Bengali insurance men.

While speaking of insurance one should not overlook the fact that Bengali insurance agents, several thousand in number, are as a rule to be counted amongst the finest specimens of Bengali intelligence and will.

PRINTERS AND PUBLISHERS

A large number of printing works belong to Bengalis. One or two may be enumerated,

namely, Chintamani Ghosh's Indian Press (Allahabad, Benares and Calcutta), Sures Majumdar's Sree Gauranga Press, Anil De's Calcutta Trading Company, Art Press, New India Press, Vishwakosha Press etc.

Publishing business has been attempted with success by Gurudas Chatterjee and Sons, Basumati Publishing House S. K. Lahiri and Company, Ramesh Chakravarti (Chucker-vertty Chatterjee and Company) N. M. Ray-Chowdhury and Co, Book Company, Calcutta Oriental Book Agency, and a host of others.

JOURNALISTS

The Bengali journalist, Keshab Roy was one of the founders of the news-agency, the Associated Press, to which his colleague Ushanath Sen still belongs. The news-agency, the United Press, has been established by Bidhu Sen-Gupta of Comilla. Some of the greatest men of Bengal have been great also in professional journalism, for instance, Harish Mukherjee, Sisir Kumar and Motilal Ghosh, Suren Banerji and others. Today the business of *Anurita Bazar* is still in the possession of the founders' family. So also are those of *Basumati* and *Hilabadi*.

Teaching was given up by Ramananda Chatterjee and the Bar by Prafulla Chakrabarti in order that they might devote themselves seriously to journalism. Hem Nag has been in this line for over two decades. Satyen Majumdar (*Ananda Bazar*), Kishori Banerji (*Industry*), Kshetrapal Ghosh (*Calcutta Commercial Gazette*) and many others in Calcutta and the Mofussil are instances of the strenuous pursuit of journalism as a career.

PIONEERING PERSONALITIES

Modern industry, commerce and business organization generally are also, like the ancient

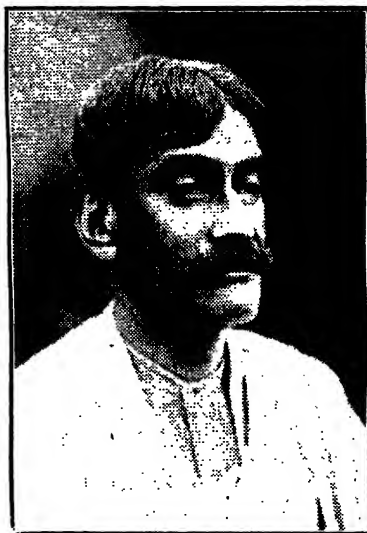
an medieval, broad-based on moral and spiritual forces. And in this regard Young Bengal can look upon Pramatha Bose, the geologist, whose discoveries enabled the Tatas to select the site for their Iron and Steel Works, as a great pioneering personality. A powerful formative agency has been the educative activity of Satis Mookerjee whose Dawn Society constituted the nucleus of industrial as well as social service thoughts and movements on the eve of the glorious *Swadeshi* Movement of 1905. Equally substantial is the contribution of Jogen Ghosh, whose Association for the Industrial Education of Indians in Foreign Countries, started early in the century, has served to furnish Young Bengal with a large number of persons active in the trades and industries of today.

THE BENGALI WILL TO CONQUER

It is neither necessary nor possible to mention all the different lines or all the different individuals or families that have taken a pioneering or prominent part in the development of each, whether as an inspiring force or as an active businessman. Besides, we must remember that not every Bengali that has explored or entered new industrial and commercial professions has become a millionaire. Nor has everybody's career in these lines been a record of uninterrupted success. In terms of Rupees-annas-pies as in the size of business concerns the achievements of Young Bengal are as a rule certainly very modest.

The hindrances are too many, opportunities are few, and poverty is universal and immense. But while discovering these new paths or trying them out the adventurers of Young Bengal have demonstrated their capacity to persist in

their endeavours in spite of failures. The thousand and one fields of modern industry and commerce that are being attempted by them point to so many instances of heroic struggle, the pursuit of new professions under difficulties, and the will to conquer of the Bengali people.



Suren Law

Neither the German nor the Japanese nor the American youths have exhibited a greater tenacity and strenuousness in the midst of the same kind and amount of handicaps, hardships and discouraging circumstances than have the Bengali youths bent on conquering and to conquer in the realms of modern economic enterprise. And so far as our forefathers are concerned, very few of them were as a rule superior in industrial or commercial skill, intelligence and organizing power to the present generation of Bengalis.

And yet it is only the start that has been made. But the journey is uphill, long and tedious. The challenge from mountains of difficulties and obstacles has however been boldly accep-



Benoy Sarkar

ted by Bengali brain and brawn. Young Bengal will not fail to inject an increasing

stream of dare-devil adventurers, scouts and pioneers into the regions of the industrial and commercial Unknown.

The institutional and functional expansion of the Bengali people is encouraging so far as it goes. But "the highest is yet to come". We have to improve our business methods and enlarge our technical experience in addition to attempting new fields of industry and commerce. It is time to redouble our activities along the entire front of economic life and concentrate them in an intensive manner each in his special domain.*

* Sarkar; "Economic Planning for Bengal" (*Insurance and Finance Review*, Calcutta, March 1933); "The Bengali People in the course of Expansion (1881-1931)" in *Artik Umati*, (Economic Progress), Calcutta, February 1931, which is to be consulted for the statistical measurements of progress in diverse lines.



The Nazi Government and Foreign Propaganda

By Dr. DEBENDRA NATH BANERJEE, D. PHIL. (Berlin)

University of Berlin

Ever since Reichskanzler Adolf Hitler took over the reins of Government, an one-sided and malicious propaganda has been vigorously conducted in Europe and America, and also unfortunately in certain important Eastern countries, against the present rulers of Germany. As a matter of fact, long before the assumption of political authority by Hitler, the National Socialist movement, with its emphatic repudiation of the Treaty of Versailles and its strong insistence on self-reliance and national unity as the most important factors for the country's moral and political regeneration, was made the butt of newspaper ridicule and villification from the early stages of its consolidation. With the triumphant entry of the National revolution the newspaper stage was already skilfully and brilliantly set. The floodgates of passion and sensationalism broke loose and hysterical journalists flashed across the five continents, news dressed in flaming headlines of Nazi terror and atrocities.

It is not easy to discover the reasons for this outburst of hostile criticism, perhaps they will long remain shrouded in mystery, and the public will only guess that each rival nation strove by addressing an emotional appeal to its people to promote its own economic and other interests at the expense of a new born Germany. For, if sanity and common-sense were to have characterised foreign comments, Europe—also America—should be grateful to Germany for slaying the hydra-headed monster of communism. Communism was threatening to destroy the very foundations of the States ;

its agents had corrupted public life and poisoned the springs of German culture : fortified with enormous subsidies from their spiritual home, they all but succeeded in disrupting the nation : class antagonism reached so virulent a pitch that feuds and broils, not infrequently ending in murder, were a constant menace to public security. It is nothing short of a miracle that, within the brief spell of one year, not only have its outworks been captured, but its inner citadel has been destroyed. In fighting communism, the New Germany believes she has been fighting for civilisation, for had she succumbed, it is practically certain that Western Europe would have been plunged into civil war. Today, one can say without the slightest exaggeration that not only public tranquility has been secured, but we see evidence all round of a wonderful cohesion and solidarity among all sections and classes of the German people.

The sedulously preached lessons of class-warfare seem already to be forgotten in the enthusiasm of a more positive and inspiring ideal. Capital no longer looks down upon Labour as something subordinate or belonging to a lower category, to be used or brushed aside according to the necessities of production and distribution. Nor does Labour regard Capital as an enormous soulless machinery for its exploitation, whose destruction should be the prelude to an ideal order of society. On the contrary, the consciousness is daily gathering momentum that only in a fruitful co-operation between Capital and Labour and in

the sinking of the distinctions high and low, rich and poor, can the wealth of the country be increased and an equitable standard of wages and life be secured for all. These are not academic platitudes or opiate doses intended to lull the workers into a sense of illusory security, or to provide opportunities to capitalists for earning larger dividends. Any one who is acquainted with the public and administrative life of the New Germany cannot but be struck with the drastic reduction of official salaries,—those of high state officials, Broadcasting company directors, University professors and the like, in accordance with the new ideal. Nor has big business been spared of its profits; the industrial magnates have borne more than their share in providing greater facilities for employment and in generous contributions to the funds for Public relief. So far as the Government are concerned, they spare no effort in levelling the unjustifiable inequalities in salaries and rank, which without promoting efficiency in work, or contributing to the general well-being, keep alive sterile distinctions and widen the gulf between the different sections of the people. In the light of these facts, it is evident that National Socialism in general, and the Nazi Government in particular, have not only destroyed communism, but they have challenged and defied the principle of class struggle and class consciousness: the twin pillars of the communist doctrine. They have striven to evolve a unified nation out of scattered and chaotic fragments as represented by the thirty six political parties; they have inspired the people with a new revolutionary zeal in shouldering common burdens, in mitigating widespread suffering, and in reconstructing a Germany where the dignity of labour is recognised, not indeed as constituting a title

to proletarian dictatorship, but as the silken cord which holds together the manual and intellectual workers in a common loyalty and devotion to the common good and the greater glory of the Fatherland. At the same time there is no interference with private enterprise, and no striving after an utopian equality, for Hitler has pointed out in his numerous speeches that what matters is the development of personality and character and not a standardised scheme of wages, and life.

The most effective way the National Socialist Party have devised to give effect to these ideals is the organisation of *Winter-Hilfswerke*, i.e., the taking of special measures for the relief and help of the unemployed poor. As Dr. Goebbels pointed out a few months ago, it was to be the test of the German people's efficiency and self-sacrifice, that no one belonging to them should freeze or starve during the coming winter. The answer to the appeal issued to all classes and sections has been spontaneous and generous. Farmers and landowners throughout Germany in spite of their own serious difficulties, have given enormous quantities of food stuffs, potatoes, flour, butter, vegetables, meat, whole carcasses of swine and beef—which are sent to central depots and from thence distributed according to the needs of the various districts. Shopkeepers and others provide warm clothing: fuel, coffee, cocoa, sugar, and so on. Every person and every society or corporate body, however small, which has a banking account is asked to contribute to the fund. Perhaps the most original scheme is that of the "cin-topf" Sonntags-Genicht. On the first Sunday of each month, all hotels and restaurants—and every householder is expected to do the same instead of the usual table-d'hôte dinner, provide a single sort of Irish-stew dish.

The price remains the same, and a part of the small profit, goes to the Winter-Hilfe. Foreigners are not obliged to comply, but surely few are churlish enough to refuse.

Critics have, however, been not lacking who have said over and over again "Yes, we admit that the cleaning up of communism's Augean stables has been a striking achievement to Germany's credit, but how about her handling of the Jewish problem?" This objection can not be impartially and effectively answered unless we bear in mind the rôle which international semitic finance played in bringing about the revolution of 1918. Jewish gold flowed freely in starting interprovincial intrigues within Germany, in setting up the happily short-lived communist republic in Bavaria, in upsetting traditional institutions throughout the country and in completing its economic and financial ruin. A defeated Germany, with the stranglehold of Reparation payments and other provisions of the Versailles Treaty round its neck, was at the mercy of any prosperous minority within its borders, and the Jews used the opportunity to the fullest. Not only did Russian, Polish and Galician Jews swarm into the country in their thousands, but the Jews generally invaded every sphere of Public administration, helping themselves, their relations and friends to as many positions of influence and authority as they could snatch, monopolising the learned professions out of all proportion to their numbers, and unfortunately bringing with them a serious lowering of the German standards of public honour and integrity.

A few words about the relationship between Germany and India may not be inappropriate in this connection. It is common knowledge that, German Professors

have been pioneers in the field of Oriental research and that they rediscovered and gave to the world the central ideas of Hindu philosophy and culture. They firmly established India's claim to profound religious conviction and noble spiritual ideals. Today, with the revival of Aryan ideals among the Germans, the interest in Indian history and culture is bound to revive and intensify.

But Germany's interest in India is by no means merely of all archaeological or historic type. It is continuous, human, and born of the conviction that the twin members of the Indo-German family of Nations have a distinctive mission for the world, in the sphere of contemplation as well as that of action. Every disinterested observer will tell you that Germany is the only European country where Indians are respected for being members of the Aryan family, and where no racial disability or discrimination is made against them. In the award of scholarships from the Humboldt Stiftung, in the enjoyment of rights and privileges at the Universities, Indian students are treated on the same footing as the nationals of the independent countries of Europe or America. Germany's sympathy with India, though non-political, is genuine and deep. German Universities welcome Indian students with open arms and nobody can fairly say that he is not given every encouragement and facility for the successful conclusion of his studies.

The new Germany—Hitler's third Empire as it is called—is proud of the fact that no change has taken place in the orientation of her Indian policy and that Indians will be welcome as guests so long as they conduct themselves with dignity and self-respect as heirs of an ancient culture.

Various rumours have been spread throughout the world that racial discrimination against Indians will be implemented into law and that mixed marriages between Germans and Indians will be matter for criminal prosecution. Dr. Frick, the Minister for the Interior has emphatically denounced these rumours as unfounded. No such legislation is to be undertaken.

Legislation and the Investment Problem

By KARUNA KUMAR NANDI

Much has been said on this vexed problem of investment of insurance funds during the last triennium or more, but unfortunately no generally acceptable principles seem to have yet been evolved towards placing investments on a sound and scientific footing. It may not therefore be considered quite unreasonable or irrelevant if I propose to re-open this vexed question, especially when we are given to understand that a bill purporting to carry out thorough amendments to the present Insurance Act will soon be presented before the Indian Legislative Assembly, though we have not yet been told what exactly those amendments will be.

So far as the present Indian Insurance Act goes, beyond requiring, life insurance institutions to deposit a certain sum in government securities at their *face value*, it neither enunciates any general principle of investment nor does it exercise any control over their resources. There was a time perhaps when this *Laissez Faire* attitude of the Act would have been applauded by our business magnates who never had, it seems, any great liking in our country as elsewhere, for state interference or control. But modern experiments in the line in other countries as well as certain unhappy experiences in our own, incline most people today to hold the view that such unfettered freedom as in ours in this matter may not always be quite conducive to progress and prosperity—indeed it may sometimes prove to be a definite hindrance to the proper exercise of judgment.

Life insurance institutions stand apart, in

the matter of legislative and executive control, from most other business enterprises; like banks, they are the possessors of capital resources, on the one hand, which in some countries may amount to hundreds of thousands and even millions. "The investment of these sums" says Dr. V. Klampur, Director, Central Insurance Institution, Czechoslovakia (in the International Labour Review, January, 1933), "is not without its effects on the current rate of interest and is of distinct interest . . . for the whole economic system of the country and for the population in general." On the other hand, life insurance funds represent the life-long savings of hundreds of thousands, even millions of persons belonging to the socially and financially weakest classes and legislative measures are therefore intended as a necessary precaution towards the safety of the investments of property which represents the possible or even probable claims of these people.

This is presumably why a somewhat rigid and inflexible legal and executive control is exercised by most European countries over the investment of life assurance funds. In Germany, for instance, the earliest legislative move made towards this was in the Insurance Act of 1885. Section 76 of this Act laid down rules for the investment of funds. According to this Act Insurance funds could be invested only in Public Savings Banks and as Trust Money. The Act of 1899 amended the previous Act and extended the range of investable securities to certain other Public and Quasi-Public debentures and mortgages.

Further amendments were carried out by the Federal Insurance Code of 1911 and the Post-war Insurance Act of 1923 which have definitely enumerated the securities on which alone life assurance funds may be invested and which must not be beyond the German territorial limit. These investment may be grouped under seven heads :

(1) A certain portion of the funds, which shall not at any time exceed twenty per cent of the total assets may be invested in lands and other real properties.

(2) Loans on Mortgage of real properties or other negotiable securities within the German territory.

(3) Investment in Federal Securities or loans on Mortgage of or investment in Public, Quasi-Public or Private Banks and other Financial institutions over which there is a *declared* state-control.

(4) Loans on mortgage or investment in the debentures or securities, of German Public institutions which have been declared suitable for investment of Trust money.

(5) Deposits in Public Savings or Joint-Stock Banks or Quasi-public Banks declared by the Ministry of Health as suitable.

(6) Loans on mortgage or investment in debentures and securities of Public utility concerns and negotiable securities.

(7) Not more than Twenty-five per cent of the total assets of the assurance funds may also be invested in building, cheap lodging houses primarily with a view to renting them out to the *insured persons themselves* within the German territory.

The English Insurance Act of 1911 directs that not less than Eighty per cent of the assurance funds shall be invested in securities declared from time to time by the Ministry of Health as suitable. The rest of the assets

may be invested in national or international securities declared as suitable for trust money. It also directs that the books of insurance institutions must also be open to periodical inspections and checks by the Ministry of Health.

Under the Swedish National Insurance Act a mixed committee of official and non-official experts are empowered to direct the investment of all insurance institutions in whatever way it may appear suitable to them (the expert).

The Insurance Act of 1929 provides for the consolidation and rationalisation of all Czechoslovakian insurance institutions and directs that at least Twenty per cent of their assets must be invested in State Securities and another ten per cent must be invested in trusts declared suitable by the Ministry of Health conjointly with the Ministry of Finance. These trusts are generally social institutions like hospitals, Libraries, Municipalities, Communes etc. The rest of the funds may either be invested in social productive institutions which are empowered to levy a public tax or in other Czechoslovakian Financial institutions declared suitable for the investment of trust money. *In no case however shall any sum be invested in anything beyond the territorial limits of the country.*

The french laws relating to the investment of insurance funds have recently been consolidated and revised and now practically leave it to the insurance institutions themselves as to how best they should invest their funds. The only restrictions that are imposed direct that whatever securities, public or private, may be chosen for investment of life funds must be suitable for the investment of trust moneys and also that no money shall be invested in any enterprise whose social purposes

may be deemed to be contrary to those of insurance institutions.

It will have been seen from the above that legislation in the different countries of Europe in respect of insurance funds may be broadly grouped under two heads, *viz*, (1) That investments should always be according to a strict set of principles and within the range of a schedule of securities fixed by the state; and (2) That comparative freedom may be exercised by the insurance institutions in investing their funds. It cannot be said with any amount of assurance which of the two principles may be calculated to have a more beneficial effect on investments, but at the same time it may conceivably be presumed that rigid state control by law may sometimes fail to cope with the mysterious forces of financial operations in the investment of insurance funds. On the other hand again absolute laxity of control in this respect may also sometimes put temptations before the management of some insurance institution or other with disastrous results to the public and even to the business itself. A mean way between the two extremes, making for an alive and active legal vigilance coupled with sufficient scope for the application of the shrewd judgment and keen acumen of the businessman, is, I think, the best method of keeping investments both profitable and within the reasonable limits of safety. The remarks of the French politician M. Grinda in this respect are well-worth listening to :

"We do not admire the system of imposing inordinate restrictions on the freedom of action of the insurance societies, which consists of placing in the State Treasury, the securities of its debts or of Bonds guaranteed by it, thereby artificially raising their market value. We therefore advocate the adoption of a system

which happily combines investment in state funds with economic and social investments in the interest of the *insured persons themselves* (italics are mine) and to the advantage of the National economy."

I have already mentioned that there is practically no legal or executive control over the resources of Indian life assurance institutions. This has a twofold disadvantage. On the one hand, in the absence of legislative directions as to general principles may and sometimes do make the methods of investment in certain cases, very odious and even unsafe and laxity of control and vigilance on the other hand sometimes may and do tempt people to methods which are both unscrupulous and disastrous. The practice of investing large funds against pronotes and personal securities for one thing, which is resorted to, it has been found, by even some of the biggest and best of our Indian Insurance companies and sometimes the result has been all that can be apprehended. I strongly feel as, I am sure, many other do, that this practice should at least be prohibited by law, even though I may not be convinced of a general legislation making for a rigidity of executive control. Indeed I am definitely of opinion that sufficient scope for the proper exercise of experienced judgment and individual business initiative must be left if insurance companies are to flourish both as social utility institutions and sound business concerns. As Dr. Klampur says, "legislative measures are intended precisely to active safety of investments and not to cramp the liberty of the management in effecting a proper growth of the institution."

As regards the general principles which should guide investments, the first and the most essential point is the safety of the investments, for as I have already stated the

property involved represents the claims of hundreds of thousands, perhaps even millions of persons belonging to the socially weakest classes. Special precautions should therefore be adopted in valuation of property against which mortgage loans are granted. The second and the next most important point of interest is the return on investments. I cannot do better in this respect than to quote Dr. Klampur who says that "the effort to earn a better interest should not jeopardise the safety of the investments, a consideration which may even make it necessary to accept a lower rate of interest, even though the question of the rate is of very great importance. In several states these institutions hold a very important position in the capital market and exert considerable influence over its movements." In regard to the third and the final consideration influencing investments, that of convertibility, I shall again quote Dr. Klampur who states that "the question of liquidity is of comparatively less importance for insurance companies since their future needs of ready money can be gauged with considerable accuracy. For this reason they can and should place their funds in graduated periods of long-term investments coincident with probable maturity of claims. Accidental

claims and other pecuniary demands they should easily be able to meet from current assets."

These precepts of sound investments have been and are being followed by most European countries with commendable results and it can be expected that our Insurance institutions should also take these seriously into consideration. I would however add one more clause, *viz.*, that funds should never be invested in extra-territorial securities. My readers will have marked that there is definite legal bar in Germany and in Czechoslovakia against the investment of funds beyond the territorial limits of the country and I think, our Indian Companies may also accept the principle with profit and act upto it. Laws there may not be practically any in this respect in India, but then the absence of legal obligations have never yet interfered with the exercise of prudence and sound judgment which are the prerogative of intelligence and honesty. Laws there should be, and, I hope, will be, but pending their enactment sound precepts may nevertheless be followed and shrewd and prudent judgment exercised to the common Social and financial progress of our insurance institutions.



Insurance and Earthquake

By DR. S. C. ROY

The recent earthquake in Bihar and Bengal has attracted the attention of the property-owners to the very urgent necessity of Earthquake Insurance. Insurance Companies are perhaps getting more inquiries now daily than they got in a decade, previous to this quake. Ordinarily there is very little demand for this class of Insurance protection and it is not generally understood that damage arising from this cause is excluded for a fire policy. A particular friend of ours, who is a prominent Life Insurance man had his house in Darjeeling insured against fire and the first thing he did after the earthquake was to see from the policy whether earthquake risk is covered or not, and he was 'surprised' when he found that the risk is not covered by the fire policy. The comparative immunity of this country from trouble of this kind has made this form of cover in little demand and it is only after the scare of an earth tremor that a spasmodic demand arises. In the ordinary times the Insurance Companies charge only a small premium—about one anna per cent—for an additional earthquake cover but after a quake the Companies at once increase the charges to four annas per cent or even more, as may be decided by the Fire Association. In many cases the Companies refuse to accept the risk altogether.

An ordinary fire policy specially mentions that the risk of all kinds of fire is covered excepting

"Earthquake, subterranean fire, Riot, civil commotion, Foreign enemy, Military or

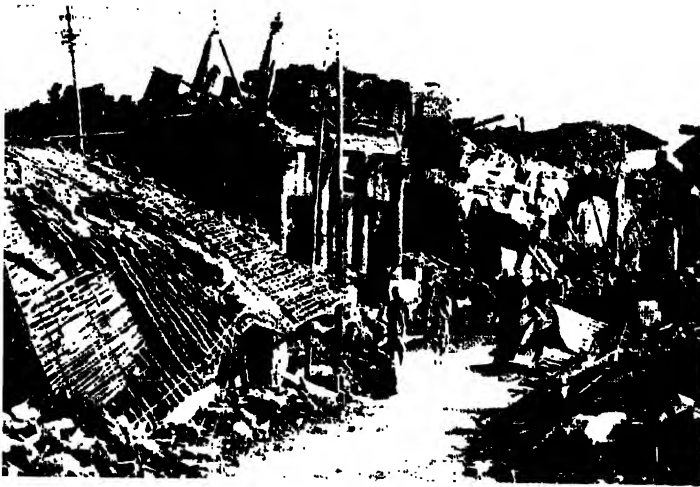
usurped power, rebellion or insurrection" and the companies allow the parties to cover any of these extra risks by payment of extra premium.

The policies for earthquake insurance protect from all 'direct' loss or damage from earthquake or volcanic eruptions and removal from premises endangered by them but the policies "do not assume liability for fire, wind or tidal waves or loss due to neglect of the insured to diligently protect his property."

Earthquake shocks were known in very old times but it was not until the middle of 19th century that the science dealing with the subject gave it a name. The science has developed considerably since, although we find that the Geologist or the Meteorologist is not yet in a position to forecast earthquake. The science of astrology, of course, claims that it can correctly predict an earthquake but there are rare instances when earthquakes have been predicted. The development of "Seismology" or the instrument by which earthquake shocks are measured is certainly a great advance in science but it cannot predict and as a matter of fact one shock of moderate intensity may disturb the working of this instrument to an extent which may make it impossible to make any correct record.

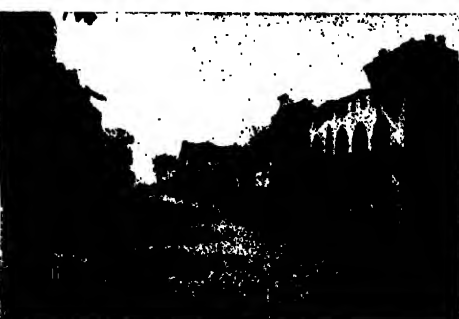
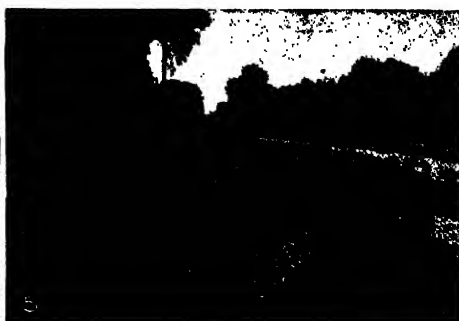
We all remember the earthquake in Bengal and Assam in 1897. The report of Mr. Oldham on that earthquake is a very interesting document to read, and we all know that in spite of all the destruction caused by that earthquake there was no fire caused by

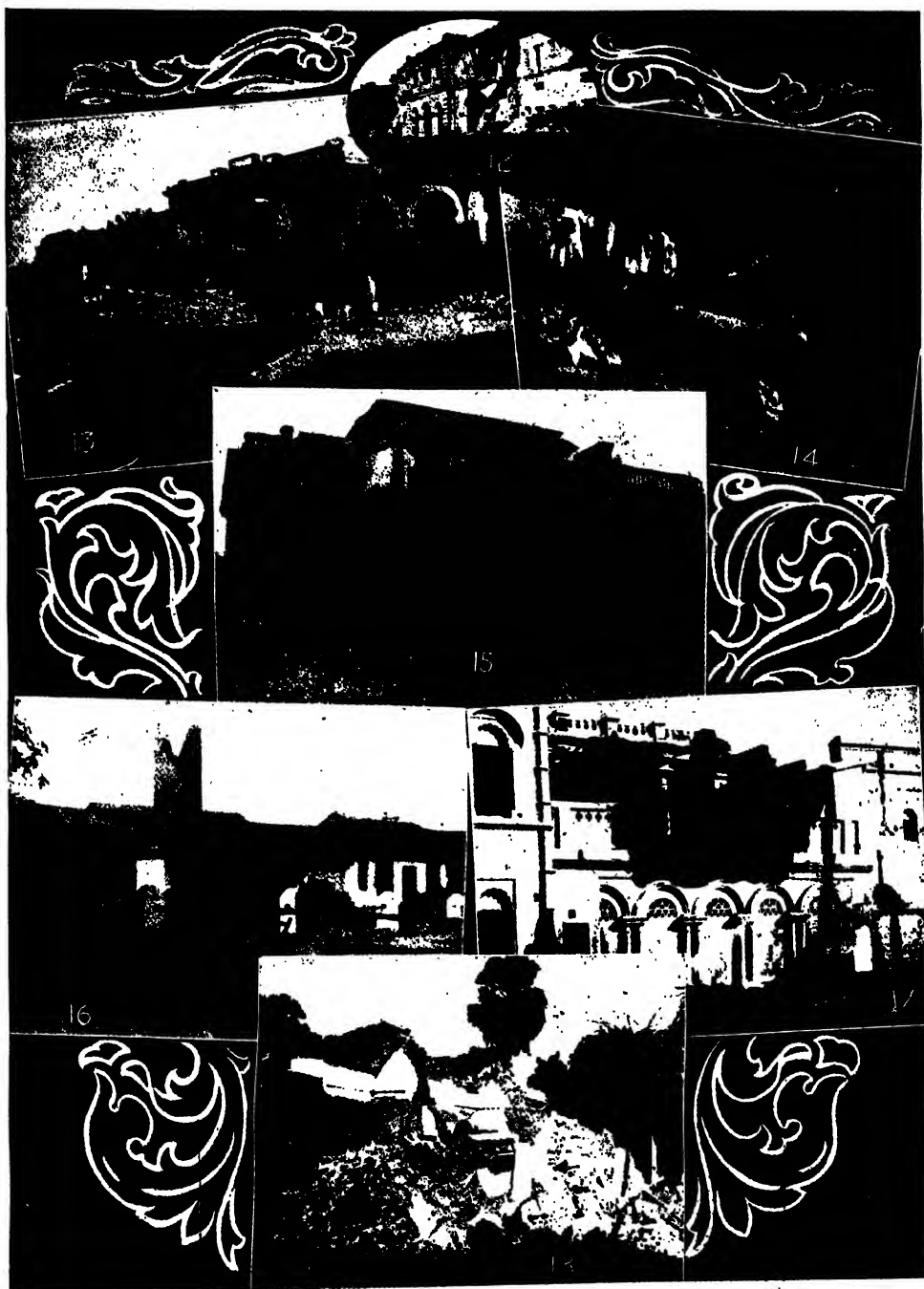
BIHAR EARTHQUAKE SCENES



Key to the Pictures

1. Bazar—Monghyr
2. Kumar's Palace—Darbhanga
3. Temporary Camp of Raj Hospital—Darbhanga
4. Muzaffarpur
5. Samastipur
6. The poor people's habitations—Monghyr
7. Remains of the school building—Monghyr
8. Road to Keshabpur—Jamalpur
9. A house near Bazar—Jamalpur
10. Near Barrabazar—Monghyr
11. Road to Keshabpur—Monghyr
12. Patna
13. Raj hospital—Darbhanga
14. Bridge—Darbhanga
15. Rai Shahib Dr. Sudhir Kumar Sen's House, Laheria Sarai
16. Sugar Mills—Samastipur
17. One of the prominent Mosques of Patna.
18. Some officers' quarters after the quake—Jamalpur
19. Art-studio and Dr. R. P. Laha, Dental Surgeon's Office—Patna
20. Muzaffarpur
21. Matihari
22. Monghyr
23. Matihari
24. Muzaffarpur
25. Matihari
26. Matihari
27. Bazar—Muzaffarpur







(By Courtesy of The Modern Review)

that earthquake. But in the great Japanese Earthquake of 1923, which is one of the greatest disasters of modern world, the direct loss of life and property was due to the great fires that followed it. This fact is very important to bear in mind in either issuing or accepting an Earthquake cover. The experience of the recent earthquake in Bihar has not yet been recorded officially but as far as we have been able to gather from newspaper reports there was fire in some places, flood in some districts and also eruptions—almost that of the nature of volcanic eruptions—at some places.

The Province of Bihar is a very important place for one of our principal industry—sugar, and as far as we have been able to gather many sugar mills have been absolutely destroyed and many badly damaged but it is almost certain that 'none' of these factories, either owned by Indian or non-Indian capitalists were covered against earthquake risks. This fact is very important to bear in mind. Modern business practices ought to be managed under modern conditions and when modern science has given us an opportunity to secure cover against loss or damage by even "the actions of God," as we call it, it is a great mistake not to avail ourselves of that excellent privilege. It is no good in seeking protection when the mischief is actually done but we always do and the world suffers as a consequence.

It will not be out of place to mention here that in the last Japanese Earthquakes the Companies refused to pay any claims owing to the exemption alone in almost all the fire policies against Earthquake risks. But even if they would agree it would have been impossible for the companies to make payment of even 10 p. c. of the total claims. Public opinion was ofcourse against the

Insurance Companies and an actual agitation was started in the press. The net result was that under pressure from the government, the companies agreed to pay 10 p. c. of all claims as "ex gratia payment" without accepting any further liability. To meet this 10 p. c. claims the Government advanced all the money to the companies as a long term loan at 2 p. c. interest.

In mentioning the above facts mention may be made about the frequency of earthquakes which will perhaps give us a little better idea on the subject. According to Montessus the annual number of quakes of the earth is about 3830. Including slight tremors Milne suggested 30000 a year or about 2 a minute. Of the Great Earthquake's the general average is one in a year as has been said by the great scientist Mallet. This fact ought to make every property owner think furiously about the necessity of insuring against earthquakes, which is not a thing "occurring in a century" as we generally think.

The destructive nature of earthquake is just now apparent to every one but human memory being very short we all forget this terrible thing and accept it as a thing of the past.

The number of persons killed within a few minutes is simply appalling, such as 50000 in the Lisbon Earthquake of 1755, 100000 in the Messina Earthquake of 1908, 180000 in the Chinese Earthquake of 1920 and highest of all known 300000 in the Indian Earthquake of 1737. In the last Japanese Earthquake of 1923, 99331 were killed, 103,733 were wounded and 43476 missing. If we reckon the loss by percentage of killed with population, the death rates in the Japanese Earthquakes were 2.7 p.c. in Tokyo and 5.5 p.c. in Yokohama. The percentage were more terrible

in the Italian earthquake killing in some places up to 97 p. c. of the population, as was in Marsican earthquake of 1914.

In discussing this subject of Insurance and Earthquake we may say that all that Modern Science can do is to only endeavour to lessen the destructive power of earthquake (over which no human agency has any control) by two means. One by attempting to forecast earthquake more correctly and take any measure of protection if possible and the other by insuring against these damages by suitable covers which modern world provides a man to meet these contingencies. Scientists all over the world has been trying to forecast earthquakes but uptil now they have failed and because of that we are unable to adopt any preventive measure against this kind of great catastrophies.

I do not know if these lines will be in

any way interesting to my readers but my object is to draw the attention of every educated man and every businessman towards the economic aspects of earthquakes and how Insurance Companies could alleviate sufferings. If we presume that all the factories and buildings in Bihar were insured against earthquake risks, we can imagine how easy it would be to-day to reconstruct Bihar. The problem is a stupendous one and the first lesson we should learn from it is that when man cannot stop these disasters, he should remain satisfied by protecting himself against the catastrophe and its aftereffects, as much as possible. Insurance is the first thing that comes to our mind and that is the last thing that we can think of, to seek for relief. We learn by experience and hope this lesson to be remembered by all.



Science and Agriculture•

By DR. H. D. SEN, D. SC.

During last few years of world economic depression the chemists have been busy in evolving ways and means how chemistry could be harnessed to the services of mankind and for solving the question of unemployment. While in India we were engrossed in politics, philosophy and poetry, Europe and America were being equipped with elaborate research laboratories fitted with very delicate testing instruments. The ingenuity of the chemists in devising these apparatus surpasses all imagination. These laboratories were as a rule not financed by the state but by the people. Pure chemistry has naturally been replaced by applied chemistry. Of the many branches of applied chemistry which have come to the forefront are pharmaceutical, micro and bio-chemistry.

PHARMACEUTICAL CHEMISTRY

The pharmaceutical works in India were very poorly equipped with these delicate apparatus for accurate pharmacological tests. India is the home of important drugs whose medical properties are rather indefinitely known. Mere chemical assay is not admitted to be adequate. Even tinctures of known drugs such as Tr. Digitalis, Tr. Stropanthus and Tr. Squill prepared in Indian pharmaceutical Works will not be able to stand competition with known brands Park Davis, Burrows Welcome and B. D. H. etc., unless they are adequately corroborated by pharmacological

tests. Dr. Sen then described a new phyto-chemical method, worked out by him at the Imperial College of Science and Technology, London, which might eventually replace the pharmacological test. The above mentioned method depends on the fact that tinctures of drugs are poisonous equally to animal and plant life. The growth of rootlets is definitely retarded in solutions of tinctures of known strength as compared to their growth in nutrient media. If the rate of retardation in growth is worked out to an unit length, the retardation takes place with mathematical precision leading to very accurate assay of the strength of the drug. During his investigation on Digitalis leaves grown under different manurial conditions the predominance of certain metallic radicles was found to affect in a remarkable way the toxic and tonic properties of the drug. The Synchronism in plant and animal life of such metals as Calcium and Manganese was found to be remarkable. The toxicity of the leaves increased with intake of Calcium and decreased with intake of Manganese.

MICRO-CHEMISTRY

Another branch of applied chemistry whose importance is being realised every day is micro-chemistry. In this connection the lecturer visited the memorable laboratories of Prof. Pregal in the city of Graz which is about 100 miles from Vienna. Microchemical laboratory may be said to be chemist's 'doll-house' where chemical analyses are carried out with remarkable precision on substances

* Substance of the presidential address delivered at the Agriculture and Science section of the *Prabashi Bangiya Sahitya Sammilan*, 1934.—Editor.

weighing a few milligrams in cleverly designed tiny apparatus.

BIOCHEMISTRY

Bacteriology is of immense practical importance by which the same substance may be transformed into various different compounds with different properties. The characteristic property of these bio-chemical reactions is that they are completely free from undesirable by-products and the reaction proceeds very smoothly under natural conditions. It can be easily gauged that the saccarification of starch which is brought about by the enzyme diastase present in germinating barley under ordinary conditions can only be brought about chemically by means of acids under immense pressure in an autoclave. The importance of bio-chemical researches will be realised every day in connection with the utilisation of molasses, the by-product of sugar manufacture in which the lecturer is engaged at present. The sugar manufacturer is very keen about getting rid of the molasses somehow either by throwing into the river or adjoining fields but to a chemist it is a mine of gold.

SCIENTIFIC AGRICULTURE

India was essentially an agricultural country and these industries should be taken up which directly deal with the use of various agricultural products, such as, the manufacture of sugar from sugarcane. It may be said that the disaster that has hitherto happened to the Indian cultivator has been due to various causes, such as, agricultural indebtedness, want of agricultural co-operative banks, agricultural associations or trusts, fragmentation of holdings and lack of Government sympathy. He would rather not dwell on above points on agricultural

economics. Being a scientist he is a firm believer in scientific agriculture in India. He cited the instance of Japan and pointed out that however high we may raise the tariff walls, textile and sugar industry in India cannot materially thrive unless we can organise Indian agriculture scientifically. We have trusted on the cultivators from ages who have depended on the knowledge handed down to them from generations and not on fundamental principles of scientific agriculture. These 'mechanical' cultivators show a lack of 'directive force.' The utility of scientific agriculture in India has been materially observed with regard to tea, jute, and coffee cultivation which have immensely increased the wealth of India. Every year about 70 lacs lbs of tea of the value of 43 lacs, Jute 13 lacs tons at 24 lacs of rupees, coffee worth 2 lacs of rupees are exported from India. But there are many other agricultural products, such as, fruits, flowers, spices, rice and wheat etc. the export of which is coming down every year for our not adopting scientific agriculture; wheat is mainly exported to European markets from Australia and Canada, rice from Japan and fruits from Kabul.

MASS PRODUCTION

The idea of Mass production in agriculture may be said to be unknown in India. Europe and America farmers have thrived wonderfully mainly because of the adoption of the principles of mass production. Dr. Sen demonstrated by coloured photos the extensive flower cultivation at Grasse, France which he had the privilege of visiting during his Continental tour. Miles and miles of cultivation of rose, lavender, tuberose, Jasmin, Neroli were shown with intervening distillation plants. The establishment of Antoine Chiris

the well known manufacture of floral extracts and concentrates were shown. Since the percentage of Otto in real Bulgarian rose is '08 and in Indian rose only half the above, a very huge rose cultivation covering several thousand acres will be required, if the Otto manufacture is to be made successful in India. The same applies to the cultivation of Jasmin and tuberose and other flowers.

PAPAYA CULTIVATION

The experiments on Papaya cultivation and extraction of papain has been quite successful at the H. B. Technological Institute, Cawnpore. By scientific cultivation and selection of suitable varieties every tree yields about 1/5th of papin per year. An acre containing 500 trees would yield 100lbs of papain whose price at the rate of Rs. 8 per lb. would fetch Rs. 800. After recovery of papain the fruits may be sold at 8as per tree giving an income of Rs. 250. One Mali at Rs. 15 and a Coolie at Rs. 8 would cost 276 rupees. Taking water and manure charges Rs. 75 the net profit would come to about Rs. 600 per acre. A 20 acre papaya plantation conveniently situated near a city to dispose of the incised fruits with adequate water facilities would have a net income of 12000 per annum.

TOMATOES

Tomatoes grown from Suttons seeds round variety, yields 5 tons or 125 maunds of tomatoes per acre. Taking 1 maund of tomato at Rs. 51-125 maunds would fetch 625 rupees. Deducting 182 rupees towards the cost of supervision, water and manure etc. the net profit would be 443 rupees. A twenty acre tomato plantation would therefore have a net income of 8860 rupees.

Sugarcane Cultivation has come to lime

light at the present moment and every Indian agriculturist is very keen about it. A few new cane varieties evolved from Coimbatore yields from 1200 to 1400 maunds per acre. Taking the price of cane to be 5½ annas per maund, sugarcane plantation covering 1000 acre would yield 12 lacs maund of cane worth 4 lacs of rupees. In a 600 tons sugar factory, where 16,20 maunds of cane are crushed every day, taking working-days in the season to be 120, would require 2 lacs maunds of cane which can be grown in 1660 acres. Usually in the area in which sugarcane is grown, wheat takes its place next year. Hence for the adequate supply of a 600 ton factory 3320 acres or more suitably 4000 acres of land would be required for cane cultivation.

MECHANISATION IN AGRICULTURE

It is evident that cultivation covering such huge areas would not be possible with implements as are being used as for example, Desi-plough and bullock powers. It can only be done with the help of machines such as the steam tractor and other mechanical appliances as are used in foreign countries. It may be said that mechanisation would increase unemployment but actually contrary will be the case. By means of machine we will be able to produce more, and to handle the huge production more men will be required who having specialised in particular branch of work will be paid more handsomely than what they usually get at present. It will ensure a cleaner and more efficient work. A steam tractor can cultivate 3000 acre of land per day to the depth of 1 feet with ease whereas an indigenous plough and pair of bullocks can scarcely plough 2 acres per day to a depth of hardly 6 inches. Similarly there are other mechanical contrivances—such as weeding

seed planting and harvesting machines. One of the drawbacks which an Indian agriculturist suffers most is fragmentation of holdings. A very large piece of land is not available for starting a fairly big plantation covering about 1000 to 5000 acres. There are however fallow lands in the Indo-Gangetic area and in the marshes of Bengal which may be available for starting farms.

This supported by Government's huge irrigation system and the recent hydro-electric scheme for the supply of cheap electric power, such consolidated farms and attached small factories for direct use of the agricultural produce may be possible.

TRANSPORT AND MARKETING FACILITIES

With the production of raw and finished products arises the question of the transport to the big cities. Messrs. Jessop and Company have been trying to solve the question of transport by fitting up motor tyres in bullock

cart wheels. Metalled roads from the farms or recently devised molasses-asphalt road at the H. B. Technological Institute may solve the difficulty. Dr. Sen finally dwelt on the remarkable marketing organisation as exists in foreign countries. The manufacturers in modern days do not stop at producing finished materials in factories but also are keen about organisation for their sale. Boots Limited, the well known manufacturers or pharmaceuticals, Woolworth Ltd. the famous dealers in stores, have generally a net work of shops distributed all over the United Kingdom in prominent parts of big town where their products nicely packed with definite seals are displayed in show cases with prices and quality specifically mentioned rendering it very easy for the buyers to judge their merits. In speaker's opinion for the ready sale of Indian sugar several factories should unite to form into an Association and shops started in the name of the Association in important places of big cities throughout India.



The National Health Insurance Act

By P. H. PESTONJI

On 17-7-1933, (reported an English newspaper), Mr. Lloyd George was the proud 'Father' when he saw the variety of distinguished people who gathered at a London Luncheon for the coming of age celebration of his pet "Child"—the National Health Insurance Act.

"Until I read it up, I had almost forgotten what a really bad time I had, said Mr. Lloyd George amid laughter. He referred to agitations which took place when the Act was introduced and how it led to an attempt at organising a General Strike. For the first week millions did not pay : millions more paid the next week ; and the third week they came in very nicely. Today the scheme was the only one with a surplus and in an age of deficits he had to apologise that its surplus had come down to thirty-six millions."

Thus, in its issue of 19th August 1933, TTT BITS describes the one-time insane opposition to the Act :

"There was little suggestion of strife when Mr. Lloyd George, as Chancellor of the Exchequer introduced the Bill into Parliament in May, 1911. His explanatory speech was hailed as marking the dawn of a new era in our social system. The Bill received a second reading in three weeks without a division.

"Then suddenly opposition flared up from all sides. The Tories attacked the Bill as a "Made in Germany" scheme. Bismark having initiated a similar scheme in 1883 ; the friendly societies through which it has since operated highly successfully opposed interference with their own activities ; the medical

profession considered itself insulted by the smallness of the suggested fee of six shillings per patient ; a great mass of people resented its proposal as a danger to personal liberty.

"In just over a fortnight, Mr. Lloyd George listened to the fulminations of no fewer than 100 deputations, a record number in British political history. Half the country lifted voice and pen in protest.

"Doctors are credited with creating the largest uproar. They went on strike to a man. And even when the Chancellor increased the capitation fee to 9 shillings, 27,000 of them still refused to comply with it. But—can you believe it ?—the maid servants goaded by their mistresses ran to the medical profession very close. At an enormous protest meeting at the Albert Hall, presided over by the Dowager Lady Desart, 10,000 servants voted as one against the Bill.

"Fortunately, the country had Mr. Lloyd George to cope with the situation. By superb statesmanship, he so far conciliated the opposition, granting the more formidable of them certain concessions, that in July 1912, the National Health Insurance Act entered the Statute Book. But the battle had only just begun !

"The insane threat of refusal to "Lick stamps for Lloyd George," was immediately put into practice. A well known Westend Stores produced a small stamp surmounted by a cruelly caricatured figure of the Chancellor. It sold by the thousand ! Collectors were on several occasions, thrown into the street.

"Great opposition came from farmers. A resistance league recruited from the agricultural communities of the Eastern and Home countries, fought the Act with all the doggedness of a Tithe war. Many labourers actually left farmers in favour of the Act, and offered their services to those ranged against it. Numerous farms in the Fenland were sold up. But the commissioners had greatest difficulty in obtaining more than five shillings for a plough.

"Trouble naturally arose with employers, who refused to stamp cards on the grounds of an employer's negligence, contending that such an action was a fair punishment for the offence committed. Thus the breakage of a jug by a kitchen maid and the persistent courtship by a clerk of his employer's daughter were urged in justification of non-compliance with the Act! Police Courts were fully occupied in dealing with offenders.

"But slowly the Act progressed towards absolute conquest, so that by January 1913, when the first medical benefits fell due, the opposition had greatly dwindled. The old cry of "What have I got to pay?" changed into "What am I going to get?" By the outbreak of the Great War, the Act had become an established feature of our nation life." (In January 1933 the Act was re-enacted with a view mainly to restoring the financial stability of the scheme. Many other changes were also introduced, chief of which is the revision (increased) of the scale of payment to which women are entitled.)

After this, one might well exclaim with Kipling but with a difference—What do they know of England, who only England know?

We alas! in this country have nothing that even approaches the ghost of the sound of its shadow; we can only look before and after, and pine for what is not!

What then is the National Health Insurance Act of 1911? It consists of two main Sections—one providing for the sickness of the worker and the other providing for his unemployment.

The Health Insurance Contributions are derived from three sources; viz., the employer, the employed and the State. The normal contributions payable by each of the contributors is fixed and when the wages of an adult worker are below a certain minimum figure, the contributions of the work people are *reduced* and those of the employer increased.—In point of actual working the State does not make a direct weekly payment of its quota, but what amounts to the same thing contributes to the National Insurance Fund by meeting for men 2-9 of the benefits paid out and for women 1-4 thereof. To illustrate: Each male employed pays as his share, say, 4d. per week, each female 3d. per week; the employer (irrespective of male or female) pays out 3d. per week and the State 2d.

Many Employers of a large number of workers feel that the burden of the Social Legislation falls very hard on them simply because they are under the necessity of employing a larger labour force. This is of course true, but then no law ever worked or operated to the satisfaction of all parties. On the other hand, it may be argued that an employer of labour is directly responsible for using up part of the health and strength of the workmen, and is specially answerable for any sickness or accident to his employees. Therefore, it has to be recognised that the employer has a special responsibility for which alone he is liable though unfortunately as an employer he has to pay twice over—he having indirectly paid as any general tax-payer would.

There is another aspect from which the employer's contributions may be viewed. We may look upon this in the light of *A Rise in the Wages* though actually it is not paid out to the worker as such—and economic experience has shown that increased wages lead to increased efficiency, which in turn reacts upon production and in its turn leads to an increased output per unit of labour. In the long run therefore, the employer thus safeguards and ensures the *efficiency of his Workers*. The result is that during the sickness of the worker, he is not only given *medical treatment* but also *maintenance* during the period he cannot work.

Under the unemployment section, the compulsory contributions are also shared in certain proportions by the employer, the employed, and the State. Thus the employer is indirectly compelled to prevent the destitution and pauperism of workers which in the long run if not checked is bound to react

upon industry and sooner or later on society. Thus both Health Insurance and unemployment Insurance may be looked upon as *Efficiency Insurance* and the contributions of the employer as "Costs which reduce costs" or "Spending to save."

This is all the more remarkable in a country where the taxation is high (the wages are correspondingly high of course) with a National Debt of £7,469,000 roughly and in Lord Snowden's estimation at the present rate of repayment, it would take 140 years to liquidate it! The expenditure in 1932 on Social services were: old age pensions, £38,234,000; widows, orphans and old age contributory pensions: £10,000,000; Grants in respect of Employment schemes £3,000,000. On Social Services Great Britain is said to spend £3-18-6 per head of population as compared with £1-17-6 in Germany, 13sh. in France, and 5/6 in Belgium;



Removal of Surcharge on Sugar

BY M. P. GANDHI, M.A., F.R.E.S., F.S.S.

SUGAR INDUSTRY ACCORDED PROTECTION IN 1932

With the approach of the Budget Sessions of the Assembly, rumours are afloat that the Government of India may remove with effect from 1st April, 1934, the surcharge of 25 per cent on the import duty on Sugar which was imposed as a revenue measure under the Indian Finance (Supplementary and Extending) Act, 1931. The present duty on imports of sugar is Rs. 9-1-0 per cwt., out of which Rs. 7-4-0 constitutes the protective duty as recommended by the Tariff Board and Re. 1-13 constitutes the surcharge.

PRODUCTION OF SUGAR IN EXCESS OF PRESENT REQUIREMENTS

Since the grant of protection to the industry, the increase in the number of sugar factories has been very satisfactory in as much as over 100 sugar factories of about 600 tons cane-crushing capacity have been established within a year and a half from the date of the grant of protection. It is true that the quantum of protection recommended by the Tariff Board was Rs. 7-4-0 and that Re. 1-13 is only a surcharge imposed purely for revenue reasons and not with a view to add to the protection accorded to the sugar industry, though the surcharge has had, according to the Government of India, necessarily that effect. While the industry may not ordinarily be able to protest against the suggestion of abolition of this surcharge, which is purely a revenue measure, the present position of the industry, as will be shown presently, makes it absolutely

imperative that the surcharge should continue, if the industry in which over 15 crores of Rupees are invested only during the last two years, is not to come to grief. As the Government are aware the production of sugar in the country has increased from 487,000 tons in 1931-32 to about 700,000 tons in 1932-33 and it is expected that during the year 1933-34 the total production will be not less than 11 lac tons, of which the production from factories alone would come to over 775,000 tons, the balance being production from indigenous methods (Vide Indian Sugar Industry, its past, present and future, by Mr. M. P. Gandhi). India has practically reached a stage where not only is she self-sufficient in regard to the requirements of sugar for home-consumption, but there is a clear necessity of finding export markets for her production, unless the consumption of sugar in the country goes up as a result of the improvement in the economic condition of the people. The import of sugar has gone down from 516,000 tons in 1931-32 to 401,000 tons in 1932 and only 162,000 tons during the seven months ended October 1933. India does not need to import any sugar at all except of very special quality to meet the requirements of those having a fastidious taste, and I expect that the import in 1934-35 will be less than 50,000 tons.

INTERESTS OF 18 MILLION CULTIVATORS THREATENED

Protection has been guaranteed to the sugar industry for a period of seven years, in the

first instance and further eight years if necessary in order that the industry may be able to develop to an extent which would make her independent of foreign supplies and stand on its own legs. Fortunately, for this country such a stage has been reached only within two years of the grant of protection and if instead of appreciating the quick response of the industrialists in implementing the policy of protection inaugurated by the Government, the surcharge is removed, it will create a deplorable plight in the industry and will take away all confidence of the people in the bonafides of the action of the Government. What is more, the implications of the grant of protection to the sugar industry must be fully understood. Protection was granted to this industry, not only for the purpose of establishing a sugar manufacturing in the country, but also, and largely, with a view to benefit the agriculturists. In fact, the Tariff Board observed that the strongest aspect of the case for protection is that based upon the national importance of promoting the cultivation of sugar-cane. The expansion of the sugar industry has been a source of great satisfaction and relief to the ryots particularly at the present time when the prices of almost all crops have fallen to an unremunerative level, in as much as it is the only crop which has brought them a fair return, when other crops have failed to do so. The Government are also aware that in a large number of cases it has been possible for the agriculturists to pay their land-revenue also, because of the proceeds realised from the cane crop which is a cash crop. The retention of the surcharge is absolutely necessary if a crisis is to be averted, in the case of the manufacturers as

well as the agriculturists. It is estimated that about 18 million people are directly interested in cane cultivation, and their interests will be seriously threatened if circumstances arise in which the area under cane diminishes.

WHY SURCHARGE IS NECESSARY

It may be argued that the industry enjoys fairly high protection of over 150 per cent and there is no necessity of the maintenance of this surcharge. It is necessary to point out that there has been one important factor which has necessitated the increase in protection, and that is the calamitous fall in the price of molasses. When the Tariff Board examined the question of protection to the industry, the molasses fetched a price of Rs. 1-8 to Rs. 2 per maund. Due to over-production of molasses a stage has now been reached when it requires some expenditure on the part of the factory owners to dispose of his molasses. Far from bringing revenue to him, its disposal costs him money and it has become a nuisance. His cost of production has therefore gone up to that extent.

WHY SURCHARGE IS NOT HARMFUL TO ANY ONE

It must also be pointed out that the retention of the surcharge on sugar is in no way harmful to the consumer and it is therefore futile to base any argument on the ground of bringing relief to the consumer, as it is well known that due to the internal competition there has been a considerable fall in the price of sugar from 1932 onwards and the present position is that the price of *Indian sugar bears no relation whatever to price of imported Java white sugar*. It sells about Rs. 2 per maund lower than imported sugar. If the ruling prices of Indian sugar had any relation with or were as high as the prices of

imported sugar, one could understand, in the interest of the consumers, the necessity of taking off the surcharge duty, on the ground that it would constitute an unnecessary burden on the consumer, and give an extra protection or profit to the manufacturer. The Government are well aware that the prices of Indian sugar are determined not in relation to the price at which imported sugar from Java is selling, but by internal competition, which is increasing, and constitutes the best safeguard in the interest of the consumer. Since the grant of protection, this cost of protection has considerably gone down, and it is likely that as a result of the growing internal competition, the prices of Indian sugar will witness a further fall. Therefore, there is no weight in any argument that may be adduced for the removal of the surcharge. In fact, if the duty on imported sugar were made prohibitive or even if the import of sugar were completely stopped, the interest of the consumers would not suffer at all, and the manufacturer would make no more profit than he can or does at present, owing to the play of keen internal competition. Indeed, it might be observed with truth, that the sugar industry constitutes the best example for proving that the consumers have had to undergo the minimum of sacrifice, due to the rapid growth of the industry and the resultant keen competition.

UNSETTLEMENT OF IMPORT TRADES

INEVITABLE

The unsettlement caused to the import trade was an inevitable conclusion of the grant of adequate protection to the industry, and could be no argument for removal of the surcharge. The progressive reduction of import of sugar was a foregone conclusion and instead of feeling worried at it, everyone

having the interest of his own country at heart should feel jubilant. The proposal of the removal of the surcharge can thus be made only on one ground, *viz.*, of bringing revenue to the coffers of the State. But it is clear that for the sake of earning a small revenue, the State cannot take a measure which would bring calamity and grief to an indigenous industry, fostered deliberately by the Government by the imposition of a protective duty for a long number of years. If after deciding to promote this industry, and taking suitable action on it, the surcharge duty of Re. 1-13 per cwt. which has helped in the speedy development of this industry, and the continuance of which has been rendered necessary in view of the absence of any realisation for molasses, and the retention of which causes no harm to the consumers, is removed at this critical juncture on account of the demand made by a few interested persons engaged in importing sugar, or for purposes of getting revenue for the State, it would be nothing short of a crime against the manufacturers who invested over 15 crores of Rupees in establishing factories in the expectation of getting continued help from the State, at least during the period of infancy of the industry, and against the 18 million agriculturists who extended the cultivation of their cane in the expectation of the increase of manufacture of sugar in the country. The area under cultivation has gone up from 29,00,000 acres in 1930-31 to 34,00,000 acres in 1933-34 and the yield of cane is expected to be 50,00,000 tons in 1933-34 as compared with 35,00,000 tons in 1930-31. The Tariff Board also recommended that if any real development in the sugar industry is to be secured, if new factories are to be established, land improvement and irrigation undertaken

REMOVAL OF SURCHARGE ON SUGAR

with a view to cane cultivation, it is essential that both the agriculturist and the industrialist should be assured of protection for at least 15 years.

RETROGRADE PROPOSAL OF ASSOCIATED CHAMBERS FOR REMOVAL OF SURCHARGE

I hope and trust that the Government will pay no heed to the very detrimental proposal which is going to be made by the Bengal Chamber of Commerce who have proposed for discussion at the next Annual Meeting of the Associated Chambers of Commerce to be held in January 1934, a resolution inviting the attention of the Government to the critical position of the sugar import trade caused by the crushing burden of taxation imposed upon it, and while *recognising the need for the adequate protection of the indigenous sugar producing industry, urging the removal of the 25 per cent surcharge on import of sugar.*

DUTY OF THE IMPERIAL COUNCIL AND ASSEMBLY

I fervently hope that the Imperial Council of Agricultural Research, owing to whose strenuous efforts, protection is granted to the industry, will represent strongly to the Government, pointing out how detrimental the suggestion made by the representatives of European Commerce in India for the withdrawal of the surcharge on import of sugar would be, if accepted, to the cause of Indian agriculture and industry. Any such action, as has been suggested, on the part of the Government can only be interpreted as the index of their desire to let down the manufacturers and agriculturists who extended their activities in the sphere, relying on the Government and their bonafides. On the contrary, it is the duty of the Government to watch the prices at which foreign Sugar is being imported and if, as a result of Java's going off the Gold Standard or of other factors there is any possibility of sugar being imported in the country at a price lower than that manufactured in the country to increase

the taxation to such an extent that import of sugar would be impossible. As sugar producing countries have high tariffs and regulation of imports, India should also take suitable action in such a manner to aid her industry. For if any imports of sugar are allowed to come into the country, the manufacturers as also the agriculturists would be faced with ruin in all parts of the country.

GROWTH OF INDUSTRY WILL RECEIVE RUDE SHOCK

Bengal, Bombay, Madras which have not yet made suitable progress in the manufacture of sugar, have now started doing so and it is expected they will establish more factories next year. If however, the Government take any action of the character about to be suggested by the Associated Chambers of Commerce, at the instance of the Bengal Chamber, grave injury would be done to the agricultural and industrial interests in the country. It is surprising that in view of this growing interest in the province of Bengal, which, let me incidentally observe, is very well suited for the development of the sugar industry, the Bengal Chamber should have thought it fit to make a proposal which would ruin the cultivators and damp the enthusiasm of the industrialists. I hope that industrial, agricultural, and general public opinion in India will express itself unequivocally in condemnation of this suggestion, and invite the attention of the Government to the great injury likely to be inflicted on the various provinces, as a result of the adoption of the step suggested by the Bengal Chamber. Personally I have no doubt that the Government will summarily dismiss this proposal of the Bengal Chamber of Commerce in the interest of the country. It is, however, their bounden duty to give an immediate and satisfactory assurance of that character to the industry, which they have sought to foster and to continue to take a sympathetic interest in the continued development of the industry with which the welfare of the agriculturists and manufacturers is closely bound up.

Silver Jubilee of the Hindusthan Co-operative Insurance Society Limited

Twenty-five years have rolled by since the Hindusthan Co-operative Insurance Society Limited was established under very modest circumstances, but by no means with modest ambitions. During these years, the Hindusthan Co-operative has gained inch by inch the popularity and admiration of our country for the very remarkable manner in which it has rendered service to the people. Today it has come to be universally recognised as a tower of strength. The characteristic optimism and imagination of its founders and the untiring and zealous endeavours of its workers have made the name of Hindusthan a household word in India. The rapid progress of the Society, especially since 1920 when the present management took the reins of the Society, may be indicated by the phenomenal growth of its new business from year to year :

year	New Business Rs
1920	12,84,200
1925	49,07,100
1930	1,12,01,700
1931	1,15,80,750
1932	1,42,39,750
1933	2,01,06,600

The latest Valuation of the Society made as at 30th April, 1932, has disclosed splendid results of the Society's working. The surplus at this valuation enabled the Society to declare bonus at the rates of Rs 23 and Rs. 20 per thousand per year respectively on Endowment Assurances and Whole Life

Assurances in respect of policies at the new premium rates. The rates in respect of policies at the old premium rates are Rs. 21 and Rs. 15 respectively per Rs. 1000 per year. The surplus in the case of Ordinary Assurance Fund amounted to Rs. 18,79,040. Regarding the investments of the Society's funds, the Actuary made a very stringent valuation of the assets on the basis of information supplied by the Directors, and he was satisfied that the "Society is fully able to meet its commitments to its policyholders." The Hindusthan Co-operative has thus gained for itself a position of unimpeachable confidence.

The Silver Jubilee of the Society was celebrated on the 13th February, 1934, at the Town Hall, Calcutta, under the distinguished presidentship of Dr. Rabindranath Tagore. The Hall was most tastefully decorated, and almost all the prominent personages of the city gave the perfume of their presence to the function. National anthems were sung in chorus by our leading artists which added dignity to the occasion. It was a triumph, in the first instance, for all who are connected with the Hindusthan Co-operative, and secondly for those of our countrymen who stand for indigenous trade, industry, banking and insurance. After the opening song, Poet Tagore was garlanded by the Chairman of the Society, Kumar Kartic Charan Mullick, after which the Poet was formally welcomed. Mr. Nalini Ranjan Sarker General Manager of the Society then read



Hindusthan Building, Calcutta

out the messages of goodwill that the Society received from its numerous distinguished admirers, some of which are published here below. After the messages were read, Mr. S. N. Tagore, Ex-General Secretary of the Society and one of its founders, made a very excellent speech on the origin and growth of the Society in the course of which he made a particular reference to the name of the Late Ambika Charan Ukil the originator of the co-operative movement in this country, to whom Poet Tagore also has paid a tribute in his address. Mr. S. N. Tagore's speech was followed by the very illuminating address of Mr. Nalini Ranjan Sarker, the General Manager which is published in full in this

section. Among the guests who spoke may be mentioned Sir P. C. Ray, Lord Sinha, Mr. C. C. Biswas, Khan Bahadur Abdul Momen, and Mrs. J. M. Sen Gupta. This was followed by the President's address which was highly applauded. With a vote of thanks to the chair and the guests, the assembly dissolved.

Messages of Goodwill

GOVERNMENT HOUSE,
Calcutta,

12th February, 1934.

I have been interested to learn that
the HINDUSTHAN CO-OPERATIVE

INSURANCE SOCIETY LTD., is to-morrow celebrating its SILVER JUBILEE and I have read some of the tributes that have been paid in this connection by an imposing array of public men from all parts of India. It has long been my view that the development of life insurance is one of the surest and safest and most beneficent methods of building up a national economy. Believing also as I do that the economic salvation of our Province depends in very large measure upon the development of a spirit of enterprise and honest endeavour among its people, I must as Head of the Government look always with sympathetic interest upon the progress and achievements of an enterprise such as the HINDUSTHAN SOCIETY. Every efficient and well conducted business undertaking is in the truest sense a national asset and I trust, that it may be vouchsafed to the Society, by vigorous endeavour combined with the closest adherence to the principles of sound business finance, to play a conspicuous part in building up the general prosperity of the Community.

Sd. JOHN ANDERSON,
Governor of Bengal.

One of the oldest among the Indian Insurance Companies is the Hindusthan Co-operative Insurance Society which is celebrating its Silver Jubilee this year. I congratulate the "Hindusthan" on its completing successfully a quarter of a

century of existence and wish it success in the future.

PANDIT JAWAHARLAL NEHRU

On the occasion of the Hindusthan Co-operative Insurance Society Ltd., completing 25 years of its existence I consider it a privilege to congratulate the Society, on its predominant position, and its remarkable and noteworthy development.

I wish the Society still greater success in its career.

SIR N. N. SIRCAR

Among Indian Life offices, The Hindusthan has come to occupy a position in the forefront, and we have abundant reason to feel proud that a purely Bengali concern has become so conspicuously successful. The Hindusthan deserves the support of every person who has the welfare of India at heart, and I feel confident that the Society will continue to maintain its onward march towards glory and success.

SIR P. C. RAY, KT., C. I. E., D. SC., PH. D.,
I.L.D.

During the last twenty-five years, I have closely watched the rise and the phenomenal growth of the Society and it is the barest truth to say that the entire credit of the success of your Society is wholly due to the self-sacrificing and public-spirited efforts of the General Manager Mr. N. R. Sarker. The Society

is an indigenous concern and every Indian must take a legitimate pride in it.

SIR C. C. GHOSH

India needs many enterprises of this nature as conducted on sound and honest business, for her due development, and I send my best wishes to the Board and the General Manager of the Hindusthan for better progress and expansion of her activities in the future.

SIR PURSHOTAMDAS THAKURDAS Kt.,

C. I. E., M. B. E.

* * * *

I am very pleased to hear of the success which the Hindusthan Co-operative Insurance Society has achieved during the first twenty-five years of its existence. I cordially congratulate your Society on the occasion of its Silver Jubilee and wish it greater success in the future.

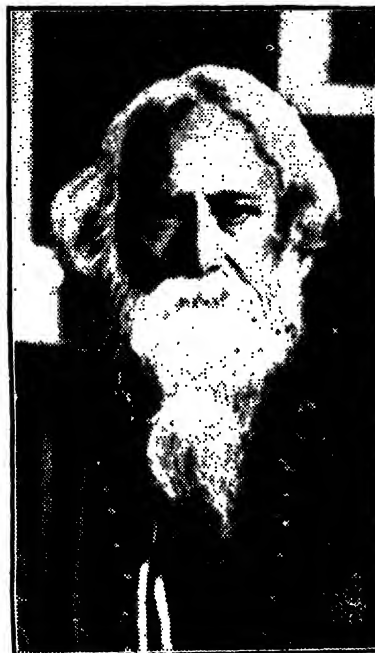
PT. MADAN MOHAN MALAVIYA

Hindusthan has already attained a leading position in the Indian Insurance world and its bold investment policy, which is one of the chief factors of its success, is being looked upon with considerable interest by other Companies. The success of this experiment will, undoubtedly, benefit circles outside the Hindusthan. I wish the Hindusthan Co-operative Insurance Society every success.

SIR R. N. MOOKERJEE, K. C. I. E.,

K. C. V. O.

True to the expectations of its founders, it has maintained and developed the tradition of service to the people broadbased



Dr. Rabindranath Tagore

on sound and efficient business principles. I wish it the fullest measure of success in the years to come.

SANTOSH KUMAR BASU,
Mayor of Calcutta.

* * * *

The Hindusthan Co-operative is one of the leading Life offices in India, and from my own personal knowledge, I am able to say that they have been doing very excellent business in India. I have had also opportunities to watch the Society's progress and I am glad to say that the management of its affairs in Calcutta Head Office is in very efficient hands.

SIR SHANNUKHAM CHETTY

During the last twenty-five years of its existence the Society has achieved magnificent results and it is hoped that as years roll on its success will be all the more marked. The management deserves every congratulation on what they have already achieved. The progress of business is well maintained and the valuation result is highly satisfactory.

LALA HARKISHENLAL

On the occasion of the Silver Jubilee of the Hindusthan Co-operative Insurance Society Limited, India, which has been doing good work for so many years I congratulate it and wish it every success.

SIR J. A. MAUNG GUL,
Ex-Governor of Burma.

The Silver Jubilee of one of the first institutions that was started when "the first surge of the Swadeshi spirit was sweeping over the country," is an event of no small significance, and it is a particular pleasure to me to add my felicitations to those of many others in the country who will rejoice at the Silver Jubilee celebration of the Hindusthan Co-operative Insurance Society.

A. RANGASWAMI IYENGAR, B. A., B. L.

* * * *

May I add a leaf and blossom to your bouquet of congratulation on the Silver Jubilee of your Hindusthan Co-operative Insurance Society?

Quarter of a century of patriotic

endeavour and achievement makes a proud record in the history of any institution and makes a happy augury for the next quarter of a century.

SITA. SAROJINI NAIDU

From the figures, it seems to be clear that the business is carried on sound lines, which explains the hold which the Society has acquired on the confidence of the Indian Public throughout India. I wish the Society continued success and prosperity.

SIR ABDUR RAHIM

I wish the Hindusthan Co-operative Insurance Society, which has shown a steady upward progress in the course of a quarter of a century, every success, as being an instance of indigenous enterprise in a fertile field.

SIR AKBAR HYDARI

* * * *

This company has risen from small beginning to a height which no other Indian business of this nature been able to do within the course of twenty-five years. I wish it all success.

MOULANA A. K. AZAD

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The life insurance business is a National Basic Industry and the Hindusthan Co-operative Insurance Society has contributed more than its quota in assisting the National economic development.

I wish this institution all success and prosperity.

DR. MOHAMMAD ALAM

* * * *

I do most sincerely wish both you and the Hindusthan Co-operative Society a continuance of the success, which, chiefly owing to you, the Society is enjoying for so long.

COL. W. M. CRADDOCK,
Sheriff of Calcutta.

* * * *

The Hindusthan is one of the strictly limited few which has succeeded beyond the expectation of the early promoters. As one who has watched its progress I think this success is due to a combination of idealism and practical realism. What we Bengalees have to bear in mind is the importance of practical realism, and from that point of view your Society ought to serve a beacon light to the younger generation of Bengalees who desire to take up a business career.

SIR PROVASH MITTER, Kt., M. A., B. L., C. I. E.

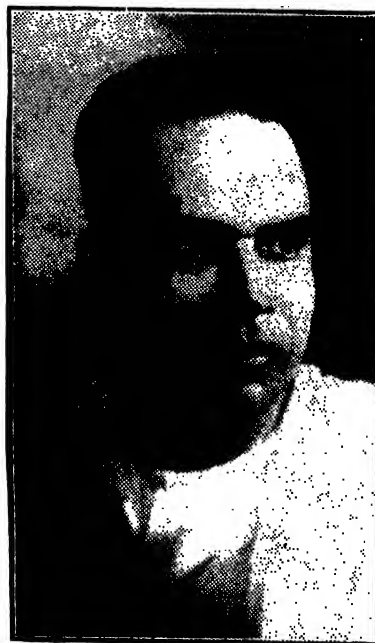
I have great pleasure in congratulating your Company on its attaining the Silver Jubilee.

The Company has made a genuine contribution to the cause of Swadeshi in Indian business and I have very great pleasure in wishing it greater success and prosperity in the good times that are in front of the Company.

SIR CHUNILAL V. MEHTA, K. C. S. I.

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It is a matter for great satisfaction that the Hindusthan Co-operative Insurance Society can look back on so many years of useful and beneficent activity. The extension of its business to all parts of India and even further afield and the steady and phenomenal growth of its busi-



Mr. Nalini Ranjan Sarker

ness testify to the public confidence in the management and in the sound principles guiding its operations. It is a Swadeshi enterprise which has justified its existence in every way.

SIR C. P. RAMASWAMI Aiyer

* * * *

The unqualified success that the Company has achieved during the last 25 years should be a matter of pride to every Indian. It shows what Indian enterprise can achieve.

I hope that all Indian will co-operate

with the Company to make it a still greater success in years to come.

LALA SHRI RAM

Economic and commercial independence of India is in my opinion more to be coveted than even political independence. Indian Insurance companies are therefore a step in the right direction and deserve all support. I congratulate the Hindusthan Co-operative Insurance Society on having carried on the work admirably for the last twenty-seven years.

A. S. DESHMUKH, M. A., D. PHIL.,
Bar-at-Law, M. L. C. Ex-Minister to C. P.
Government

Although the first Bengalee company, during the 25 years it has been in existence it has grown in volume and capacity to an extent which is very creditable to in business acumen of its organisers; as a result of the great success which the company has achieved many Indian companies have sprung up and are gradually replacing foreign companies.

I wish the Hindusthan Co-operative Insurance Society fuller success and prosperity.

KHAN BAHADUR A. MOMIN

The Hindusthan is a cent per cent Bengalee institution and its success is a matter of pride to all Bengalees. I wish

it years of increasing prosperity and useful service to the country.

RAJA JANAKI NATH ROY
of Bhagyakul.

I have great pleasure in congratulating your Company on the splendid success it has achieved so far, and for the important part played by it in the history of Indian Life Insurance. You have my best wishes for a still more prosperous future.

SIR N. B. SAKLATWALA, Kt.

* * * * *

The Hindusthan has done pioneering work in its Investment Policy. Making full allowance for the comparative poverty of India, there is still unlimited scope for many years for all the Indian Insurance Companies to co-operate in extending the business and in seeing that every Indian Insurer in the future insures only with a Swadeshi Concern. May the Hindusthan pioneer in this direction always and prosper always.

S. SATTYAMURTHI, B. A., B. L.

* * * * *

The national support, which the Hindusthan has received and is still receiving, it has striven to compensate by keeping its service, as its records will show, on a very high standard of efficiency, economy and integrity. An old man as I am, I am happy to see this performance of youth, and I send on to it my blessings on this happy and auspicious occasion.

RAJA RESHEE CASE LAW,
C. I. E.

Pray accept my and my colleagues' sincerest congratulations on the auspicious occasion of the celebration of the Jubilee of your Company—The Hindusthan Co-operative Insurance Society.

SIR LALUBHAI SAMALDAS,
Kt., C. I. E., J. P.

* * * *

It gives me immense pleasure to convey to the Directors of the Hindusthan Co-operative Insurance Society Ltd., on the occasion of the Silver Jubilee of their Company, my good wishes and appreciation of the very useful part played by their company in the field of Indian Insurance in general and Bengal in particular.

AMRIT LAL OJHA, M. I. M. E.,
F. R. S. A. (Lond.)
President, Indian Chamber
of Calcutta

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An idea of the expansion of business done by the Company can be got from the fact, whereas in 1912, that is to say, nearly 20 years ago, the total amount of business in force with the Company was only 77 lakhs, in 1932 it reached the figures of nearly six and half crores. The Life Assurance fund of the Company in 1912 was nearly 4½ lakhs, in 1932 it stood at 1 crore 18 lakhs. The annual premium income of this Company in 1912 was nearly 4 lakhs and in 1932 it was just 26 lakhs. Here is an example to be worthily imitated.

N. C. KELKAR, B. A., LL. B.

Address of Dr. Rabindra Nath Tagore, who
presided over the Silver Jubilee Celebration

It gives me no little pleasure on the occasion of this Silver Jubilee, to look back on the day when the infant institution with the then somewhat ambitious sounding name of the Hindusthan Co-operative Insurance Society had its birth in one of the rooms of my house in Jorasanko. The reason why I was tempted to do what little I could to help in ushering it into the world was, not that I pretended to have any understanding of business details, or was over-persuaded by its originator Ambika Charan Ukil, whose single-minded devotion to the cause of Co-operation had won my esteem, or even that my nephew, Surendranath, was among the active promoters, but because of my own strong faith in the principles embodied in its constitution. When, over 25 years ago, the scheme of this Insurance Society was laid before me, a picture of the long and arduous road that needs must be traversed by such an institution, flashed vividly through my mind. But it was this very difficulty of achievement that chiefly attracted me to its programme, and the other attraction was the strangeness of the spectacle that it conjured up, of our Bengali countrymen thus banding together to organize a vast wealth-producing organization on up-to-date lines.

I had always felt that the attainment of human welfare and prosperity, in the true sense of these words, by means of mutual aid and co-operative striving was of the very essence of civilized life. It is by such endeavour that Science has achieved its triumphs, and while so doing has been able to knit mankind more closely together. The same is to be seen in the civic and political fields, not to speak of that of religion. Only in the case of the production and enjoyment of material wealth has civilisation failed to justify itself. Here Science has been misused by Wealth as a means of secluding itself from the living heart of the people, of gathering up and reserving its resources in self-seeking organizations, thereby raising constant problems of class bitterness, creating opportunities only for the fortunate who are few, preparing a

soil fit only for the cultivation of anti-social instincts. Nevertheless, the sound process of treatment for the resulting social malady can never be through a destructive mutilation that fails to reach the root, but must be by a stimulation of the natural circulation of national prosperity that leaves the inner spirit of recovery to do its work in the depth of the social constitution. This was, to my mind the objective of the contemplated Insurance Society, by means of the infusion of the spirit of co-operation into the art of insurance.

The most precious wealth that man has attained is the consciousness of his fundamental unity, which is more and more impelling the human world to work together for the service of every individual born in it. This consciousness which is gradually gaining ground in our economic life, because it represents the highest truth of man, is the only means that can lead to the true wealth of the people, the wealth born of the fruitful mooting of individual wills. The huge megathorium of capitalism with its stupendous tail of bought-up workers will naturally become extinct when individual men come to realise that their real well-being can be achieved, not through an exaggeration of their own exclusive wealth, but by the associated endeavour of their individualities based upon mutual trust and help. It was a realisation of this fundamental truth, as it seemed to me, that impelled the promoters of the Hindusthan Co-operative Insurance Society to make this daring experiment for which the country was then hardly prepared, to venture out into the open road in the face of all risks, determined to acquire and learn through their own experiences, rather than succumb to the timid counsels of worldly-wise critics who believe it to be an advantage for a child to be spared the troubles and dangers of growing, and think it is a sign of prudent respectability to be content with a monotonously easy success depending on some hoarded patrimony of tradition. And it was, I repeat, because I had felt in my heart the truth they sought to reduce to practice throughout our country, that I was impelled to give these venture some spirits my blessing, and bid them God-speed.

The Hindusthan Society had to pay for its temerity, as every child of promise has to do, by having to face all kinds of trials and tribulations in the first stages of its career, but the seed planted by its originators proved sound at the core, and succeeded in weathering every storm that beat on it in the course of its chequered career. Its progress, though not unhampered, was steady, and it did not hesitate to adapt and re-adapt its constitution to its changing environment as mistakes had to be corrected or new needs arose, till at length, as it rejoices my heart to find today, it has matured into a sturdy growth of immense future promise. It is not for me to enlarge on the many-sided present-day activities of the Society which, judging from its largely expanding business, must now be a matter of common knowledge to our countrymen,—how it has provided a competence for innumerable individuals, helped industries and institutions of public benefit to flourish, given profitable and honourable employment to hundreds and thousands of workers, and generally assisted in creating and conserving wealth for our country and countrymen. Wherever I have travelled in India—whether in Bombay or Delhi, Lahore or Madras, Ceylon or Rangoon,—I have been agreeably impressed to find evidences of the popular appreciation of its different beneficent activities. In a word, it seems to me today that this Institution, initiated, organised and administered by Bengalis has crowded the progress of a country into its first 25 years, and it goes without saying that I feel proud of this achievement. But, at the same time, I must frankly admit that I am not competent to weigh or appraise its results in detail. I am here today to congratulate,—not to criticise. I must confess that while my poet's vision may have found proper scope at the inception, in welcoming and heartening a high-merited undertaking, it seems somewhat out of place in the present gathering of business experts.

It is possible that after these long years of struggle, the path of the future advancement of the Hindusthan Society has been made easy. But it is this becoming easy that makes me afraid. In the beginning, the Ideal held sovereign place.

Now it is faced with its rival—success. It is doubtless good to have both; but unfortunately success has a way of making of itself its sole end and aim, and if the Ideal stands in the way it is quietly elbowed out of sight. Always and everywhere is this tragedy to be seen. It is characteristic of modern civilization as a whole. The moral ideal that once nourished its upward progress has been used up by greed with the help of science in order to raise a sky-scraper to material prosperity. This Tower of Babel is about to topple over while the fire of an all pervading hunger ravages its foundations. What I feel impelled, therefore, to say to you in conclusion, may not sound in your ears like counsel fit for businessmen to give and receive. It is my earnest appeal to the present administrators not to allow themselves to be lured by the glamour of success to desert the great ideal with which the institution was inspired at the start, the ideal of bringing equitable relations and mutual helpfulness, peace and harmony, into the process of wealth production; to ignore the ideal would be to cut at the root of the success. And I would finally ask them to remember that in taking the sacred name of Co-operation, this Society and all connected with it have incurred a responsibility to all humanity, not alone to the people of Bengal or even of India.

I will not keep you longer. Now that I have been called upon by the present head of the Society's administration, Sriman Nalini Ranjan Sarkar,—whose rise from the ranks to his present eminence I have followed with the greatest pleasure as an interested spectator,—once more to bid it God speed on its future career, I again give to it,—to its members, constituents, and workers of every degree,—my heartfelt blessing. On its behalf I extend to all our countrymen a cordial invitation to join its ranks, to avail of its services, to help it to render greater and greater service for the benefit of themselves and their fellow men.

**Address of Mr. Nalini Ranjan Sarkar, the
General Manager, delivered at the Silver
Jubilee Celebration.**

In rising to welcome you this evening on the occasion of the Silver Jubilee of the Hindusthan

Co-operative Insurance Society, Ltd., I feel it is one of the greatest moments in the history of the institution which I have had the honour to serve. It is difficult to speak with restrained emotions today on the happy and successful completion of the first great period of its history; the occasion makes one feel a certain amount of pardonable pride in its achievements—achievements which are all the more gratifying in view of the ill-success that has met some of the early ventures by the people of Bengal in their endeavours in developing large joint-stock and corporate business.

It is a proud privilege to welcome you, Dr. Tagore, and to say how deeply thankful the Hindusthan Co-operative Insurance Society is to you for your kindness in so readily agreeing to preside on this occasion. When I look at it from another point of view, I feel that this institution cannot but have a claim on you. Its establishment owed not a little to the inspiration of the noble spirit of Swadeshi which you inculcated in the Province in immortal song and verse and of which you still remain one of the greatest exponents. Also, those ideals of social service, of cultural reconstruction and constructive regeneration which you have so assiduously impressed upon the country have ever remained the motive force in the development of the Hindusthan Co-operative Insurance Society. Even as you are the greatest cultural representative of Bengal in its relations with the other provinces and with the world at large, and an active cultural unifying force in the country, this institution has attempted, however humbly, to spread over the unifying bond of a common insurance service. Moreover, your own renowned house was the birth-place of the Society and you were yourself, Sir, one of its first founder-promoters; and your own illustrious nephew, Mr. Surendranath Tagore, was one of its earliest promoters and remained, during the whole period, its chief executive. Your unique position and past association with this institution lends to this ceremony a special significance. I bow to you in profound respect.

To you, ladies and gentlemen, who have so kindly responded to our invitation and graced

this occasion with your presence, I extend a sincere and warm welcome. I feel not a little gratified at the evidence of goodwill and generosity, which your presence indicates. It will always dwell in our memory and serve as an inspiration to our labours. The presence of so many of our European and overseas friends on this occasion endows it with an added significance and I feel that the time is not distant when we shall count them not merely as our well-wishers but as constituents in Indian insurance institutions.

I must also express my thanks to that wide circle of friends who, not being able to be present, have sent us their good wishes, and also to our other well-wishers all over the country. It is our earnest prayer that we may always, by the grace of Providence, be deserving of their sympathetic regard and good wishes.

On this auspicious occasion I also gratefully remember the many loyal officers, members of the staff, representatives and other workers of the Society working in different parts of the country, who for business reasons have not found it possible to be present at this function. Their absence this evening means a great disappointment to us, but although not present personally I am sure they are all joining us in spirit on this occasion.

The occasion marks a milestone on the Society's road to progress, and it might be said that in the development of life insurance in India the Hindusthan Co-operative Insurance Society has played a great and noble part, since its inception in 1907. In these facts we find justification for the Silver Jubilee Celebration. It is in no spirit of boastfulness, but rather of thankfulness and legitimate pride that we look back over the last twenty-five years and recount the successes attending our efforts in the service of the people of the country. It is, indeed, a legitimate sense of pride that marks this occasion. The struggles, the responsibilities, the anxieties and achievements, of these years, the ambitions, hopes, fears, realizations and work, of those who laboured in them, form the fund of our experience by which we may profit and from which we may derive inspiration for the future. But there is still further justification for

this occasion. As an instance of Bengalee enterprise, striving, as a new-comer against large and old-established competitors, to build up the large and secure concern we have to-day, the task of proving our people's worth in the sphere of business and of maintaining their prestige devolved on us; we feel, therefore, that something is due from us to the people whose hopes centred in the Society. We feel they are as interested to listen to, as we are to tell of our stewardship during last 25 years. We have always regarded ourselves as the trustees of the people with a special responsibility, the reason for which attitude will be found in our later remarks.

In a perfect world, perhaps there would be no need for provision by life insurance, but as long as the imperfections of our economy prevail, life insurance will be needed to render men safer and happier than they might otherwise be. Its benefits are undoubted and their proofs are within the experience of almost everyone of us. We have only to look around to find the evidence on every hand. Among our friends and among our relations how often do we find, instead of prudence and foresight, only folly, negligence and procrastination that are responsible for the misery of thousands who might otherwise have been spared such fate, if resort had been made to life insurance?

Ladies and Gentlemen, you have heard from Mr. Surendranath Tagore the history of the Hindusthan Co-operative Insurance Society, its foundation, its early struggles and its ultimate success. I would only like to make a brief reference to the aims of the founders and the reason why they considered it necessary to establish this institution. Its object was not only the provision of facilities to people to insure their lives, for these were being offered in a large and efficient measure by British and American insurance companies already working in this country, but something more. Born in the Swadesi fervour of 1907, the chief aim of the Hindusthan Co-operative Insurance Society was to offer an insurance service to the country that would be owned, managed and controlled by Indians, and it was also the intention to place at the disposal of

the country those important ancillary advantages which insurance institution bestow upon the country's economic activities and advancement. India is a country of small income and small savings. And nothing big or great can be done until these are gathered, mobilised and applied to the development of the country. But you cannot induce the average person to part with his small savings until he is convinced that in his old age or upon his death either he or his dependents are assured of a stipulated benefit, such as that offered by an insurance company. Investment in industry or commerce may bring a person a large dividend one year and nothing at all in the next. Some may succeed, while others may fail; but in the case of insurance, the company assures to the policyholder a fixed amount on a definite date. Thus, while insurance serves in securing individual benefit, it compasses at the same time the national benefit by investment of the ever-increasing fund of accumulated savings. Again, there is the advantage not only in the avenues of employment created by such Indian institutions, but also in the fact that an Indian-owned and Indian-managed institutions offers a unique opportunity of training men in the higher grades of service—in positions of control, initiation and decision.

How have the founders' hopes been fulfilled? Before the advent of the Hindusthan Co-operative Insurance Society there were already a few Indian life insurance companies. If it was not, therefore, a pioneer Indian institution of the kind, it was certainly among the pioneers, and like all pioneers it had to fight an uphill battle against the heavy odds of old-established foreign companies. Indian insurance on a large scale was, however, unknown before this time, and its scope was more or less confined to the upper and educated classes, but the Hindusthan Co-operative set itself to the task of popularising insurance among the people more widely and the credit of making Indians insurance-minded is not a little due to the skilful, persistent and widespread propaganda of this Society.

I need hardly add that the interests of policyholders have always been the primary concern

of the Society. Prompt and courteous service and a scrupulous solicitude for the safety and productivity of the funds entrusted with us by policyholders have been our guiding principles. This is well evidenced by the great popularity of the Society. The popularity and development of the Society have not only been confined to Bengal, but have spread all over India. The people of all the provinces and also of the various States have reposed their confidence in this Society and have thereby contributed to its phenomenal growth to-day. I take this opportunity therefore to convey to our constituents and well-wishers in all the different parts of India our grateful thanks on this occasion. And if I may point a moral in this connection it is to show this that in evolving a really big organisation the co-operation of all is necessary and that we are interdependent, and each may assist and support the others to mutual benefit. To-day we have branches and well-equipped offices not only in every province of British India, but in the big States also. Our field forces are working in every important city and town of India. We have spread to Burma, Federated Malay States, Ceylon, British East Africa and Iraq. Our ambition would take us even further if international conditions had been favourable. Uptil now our experience is that wherever we have ventured, the Society has always met with a favourable response. The increasing volume of business is a further index of our expansion. Last year it exceeded two crores and this year we shall, I believe, leave even this figure behind.

Simultaneously with the expansion of the Society's business its inherent soundness has been maintained and more and more recognized. Indeed, to-day it stands firmer than ever, as is evidenced by the results of the successive actuarial valuations. The Hindusthan Co-operative, I need hardly add, shows a large and ever-increasing margin of safety, of which, incidentally, the rate of bonus is a sure indication.

A special feature of the Hindusthan Co-operative is the policy adopted in the investment of its funds. From my previous remarks it will have been gathered that the guiding motive in the formation of the Society was to contribut

towards economic well-being of the country and its development. This intention has largely influenced the formulation of our investment policy and we made a striking departure from the orthodox policy of investment in gilt-edged securities only such as was followed by most of the earlier-established companies. In doing so, we did not overlook the safety of the funds invested, but we were convinced that without sacrificing safety in the least, investment in the mortgage of good real properties offered a larger return and better scope in this country, provided, of course, from the point of view of safety there is an ample margin in the intrinsic value of such property and provided there is a regular payment of interest. For long in this country gilt-edged securities have been regarded as the only suitable form of investment for insurance societies. It is a tradition which we broke and are proud to have broken. To us gilt-edged securities are not the only desirable form of investment. Mortgages, for example, have proved in the past one of the most suitable channels of investment to British, French and American Life Offices. Similarly, debentures and preferred stock of joint-stock concerns with a good history, sound management, and an assured future, may be considered suitable investment, provided they are well distributed and are within proper limits. British Companies systematically invest a considerable portion of their funds in these fields. There is, however, but a limited scope for this form of investment in India at present.

So far as this Society is concerned, the policy it has pursued in the matter of investment, is justified by results, not only in returns, but also in the realization of its social aims. With regard to the latter, I may here be permitted to make a particular reference to its housing scheme. This form of investment has proved eminently sound, as, of course, was foreseen, and it has enabled quite a number of middle-class families to possess their own houses. Thanks to the Society's activities garden suburbs now exist where formerly there was jungle. This scheme of providing homes on the basis of periodical payments has been the precursor in this country of the same service that is rendered abroad in an almost similar

way by Building Societies. We have hardly any such societies in this country, though, perhaps, we have a greater need for them. The Hindustan Co-operative is alive to the situation and we are considering even larger schemes of this nature.

The subject derives an added significance in view of the recent earthquake catastrophe in Bihar, which has involved such terrible loss and suffering to thousands. The Government is, of course, doing its best towards relief and for reconstruction of the devastated areas. But we also are putting our heads together to see whether we may not be able to do our bit in this reconstruction work. We propose to investigate soon whether this Society's housing schemes could be extended to Bihar where the middle class people will now find it beyond their means to rebuild houses for themselves, and will doubtless appreciate and avail of easy payment facilities, such as the Society may be in a position to offer.

As already mentioned, it has been our conscious purpose to train young men in business methods and organization, so that they may be fit to fill not merely subordinate posts but positions of real responsibility in large business, calling for judgment, initiative energy, foresight, tact, decision and organizing ability. We do not believe that such opportunities could have been provided to our people to the same extent except by a company which was Indian not only in management and working but also in inspiration and intention—a company which cannot but feel with its whole heart the need of advancing our people in the experience and control of large scale business organization. How amply we have succeeded may be judged by the many high lucrative and responsible positions filled by men trained in the Society's work, who after their education in school or college joined us as mere clerks. Indeed, I may say with pardonable pride, that I myself am an instance of one who commenced at the very bottom of the ladder in this Society and gradually found opportunities of working his way up. That is an opportunity open to everyone in the Society—every worker in it carries a field marshal's baton in his pocket. In the matter of educating the public in life insurance we hold a proud record. Our literature

is entirely devoted to educating the public to become insurance-conscious, but that is not all. In our conversation, follow-up matter, even in our calendars and leaflets, we apply the same principle, namely, that of supplying facts and figures, reasons and processes, that are readily understood and really educative. Moreover, we do these things on a level of excellence that is by no means inferior to that obtaining in any advanced foreign country. We have the advantage of an intimate knowledge of the conditions and requirements of the country, and our educative propaganda (using the word in its best sense) has met with high appreciation on all hands. I have referred to this subject to show that our business methods are in all matters informed by a wide outlook, not necessarily confined to the business of Insurance alone.

I feel I would be guilty of a grave omission did I not make a reference to the human factor in the running of our large and complicated machinery, for these achievements would have been impossible if it were not for the zeal, loyalty and devotion of all who serve the Society, from the highest to the humblest of the staff. The welfare of its workers is always the anxious concern of the Society, whose aim it is while demanding a high standard of efficiency, that they should be contented and happy in their work, adequately paid, and placed in healthy surroundings, that they should be provided for in illness and retirement and encouraged in recreation. In dealing with our workers, whether they belong to the ministerial staff or the field organisation, it is our anxious endeavour that their self-respect be upheld, their sense of honourable service encouraged, their aspirations enlarged to include patriotic and national considerations. We know their troubles and difficulties and try to assist them as far as possible, and I submit that each and everyone of them is animated by a spirit of healthy co-operation, zealous of the reputation of the Society and devoted to its interests. It is not easy to assess how much of the Society's success is due to their quiet, enthusiastic and efficient service. It is the individual bricks everyone of them, properly placed and the little bits of cement spread around them day by day that have grown

into the great edifice of the Hindusthan Co-operative Insurance Society, I want them to feel it is their handiwork, I want everyone of them to be proud of it. The Society pays its tribute to them and offers them its sincere thanks.

So far, I have dwelt on the high lights of our achievements, but the picture I am trying to paint would lose much of its charm were I to leave out the shade, against which our achievements stand out in bold relief. Mr. Tagore has referred to the terrible trials this institution had to experience in its infancy. Let me assure you the early life of an insurance institution in India is none too rosy; in fact, one cannot imagine anything harder. With no initial advantages and no encouragement or assistance from the state one steps into an arena of the keenest competition. While you are straining every nerve to push your way up against powerful and well-entrenched foreign rivals you are attacked from all sides, nay, often stabbed in the back by your own people on whose sympathy and support you had hoped to have a rightful claim. The insidious poison of ill-informed criticism, vile calumny and despicable misrepresentation that progressive Indian Insurance companies have to face still remain the despair of their management and the most terrible hinderance to their development. It is a matter of common knowledge that the Hindusthan Co-operative has had more than its fair share of malicious, false and deliberately destructive propaganda almost from the day of its birth. I am not divulging any secret when I say that there were days when our board was all but overwhelmed. That the Society has survived and grown up to its present state speaks not a little for the strong faith of our friends in our integrity and the unswerving confidence of our policyholders. In some countries you are considered good until you prove yourself bad; in others you are considered bad but are given a chance to prove yourself good. But in the insurance world in India you are considered bad from the very beginning and everything is done to prevent you from proving yourself good. When to these terrible handicaps you add your own comparative lack of experience and the ignorance of the public at large the progress

achieved by Indian insurance companies appears almost miraculous. Ladies and Gentlemen, I want to appeal to you to look more fairly and kindly upon your own insurance institutions. Detractors there are in plenty not only in the insurance field but in every other field, and you must be careful not to be led away by false allegations and rumours, but subject these to scrutiny and the judgment of your own reason. If you want India to thrive, you must cultivate a broad and generous outlook and not prejudice the efforts of her sons from the start.

That does not mean we are afraid of criticism or that we dislike being criticised. Criticism is necessary and is an essential corrective to progress, and Indian insurance institutions would welcome it, but it must be well-informed, constructive, judicious, free from baser motives and entirely directed to the improvement and advancement of insurance service in India.

It is well-known, but not generally appreciated, that the business of life insurance unlike any other business, is subject, both by law and practice, to very stringent tests by competent authorities both inside and outside the organisation. The law relating to life assurance makes it imperative for every life office to publish not only its audited accounts but also statements in detail concerning its business position. This in itself is an ample safeguard. But apart from such a test, there is still a greater one in the periodical valuation of assets and liabilities of a life office by a duly qualified Actuary which is provided for by statute. Such a valuation affords a true indication of the soundness of the Company, and discloses on the forecast basis of mortality, investment returns and expense ratios, the available surplus of the valuation. Needless to say that such forecasts are always viewed by the Actuary from the safest angle. Such an actuarial report is an exceedingly stringent one and is mathematically accurate. It eliminates all factors of guess-work, and the result is a thoroughly reliable representation of the soundness of a company's position. The Actuarial test at the last valuation of the Hindusthan revealed, I am happy to say, an exceptionally satisfactory and strong position. It is amazing

that even in the face of such striking and authoritative testimony scares are not infrequent, and what is worse, that they are persisted in. But I hope and trust that with a growing knowledge of insurance business, the scare-mongers will find themselves defeated by the common sense of a more and more discriminating public.

The administration of this Society is deeply conscious not only of the high ideals placed before them but also of the heavy responsibilities devolving on them. The money they receive from a policyholder comes from his hard-earned savings, representing perhaps many sacrifices, for which he expects to be relieved of anxiety in his old age or of anxiety for his near and dear ones in the event of his death. The policy he holds is a charter of this assurance and it is a sacred trust laid upon the administration, whose every action must be considered from the point of view of maintaining faith with the policyholder. That is the responsibility to the policyholder, but there is another responsibility as great, if not greater, from the national aspect. Each indigenous institution has not only its own members and constituents to think of, but must also be alive to the fact that its success or failure means so much to those who will come after. For them its success will mean inspiration and strength, its failure a vicious circle of despondency and degradation. Failure on the part of the administration, is, therefore, unthinkable, indeed, so far as they visualise the future they have to think in terms of advancement. Given the requisite public support, which they now confidently claim, they are prepared not only to increase the efficiency of their administration but have also high hope of extending their services. For one thing it is contemplated extending their propaganda in the direction of public health (as is found elsewhere in Europe and America) in disseminating knowledge in the ways of healthier, cleaner and better living. For another, they contemplate provision for the relief of the sick, which is a matter of serious consideration for this country. Success in these directions we realise, depends upon the possibility of mobilising various factors, and that on a large scale. That large

scale, that is, the number of individuals to be taken care of in bulk, we may soon expect to have, indeed we have it now, and we are now considering the means of organising the service.

Thus, it will be observed that the Society did not set out to be nor is it content with being a mere life insurance office. Its primary object is undoubtedly the insurance of lives, but an equally important object is the rendering of every kind of service, and, by doing so, to raise the standard of living to a higher level of health, wealth and happiness. It is obvious that if the Hindusthan Co-operative is to rise to the height of its ambition to be a nationally serviceable institution it must be done by the combined endeavours of all concerned and of the public at large. It is not only for its administrators at the Head Office, its workers scattered throughout the length and breadth of this country and abroad, but also for its policyholders and constituents of every description to join hands in the good work and help the Society in the realisation of these ideals, and to obtain for it the support of all sections of the people.

Before I close you will allow me to make a personal reference. Indians can only hope to have the fullest scope for self-expression and the largest opportunities in institutions, owned and controlled by Indians. I have often speculated how far I would have risen if, instead of joining the Hindusthan Co-operative, my early steps had directed me to the door of a foreign insurance company. In this connection I must pay a personal tribute to Mr. Surendranath Tagore. His association with this Society represented a departure from the tradition of his family and class, and whose connection with such strenuous practical work as is involved in an insurance company was hardly credible until Mr. Surendranath Tagore proved it otherwise and thereby set a worthy example to the rest of his countrymen. To the Society his association lent both status and public confidence. Once taken up, Hindusthan Co-operative became his all in all and to its development he has devoted the quite, strenuous and zealous service of a life-time. I have particular reasons to be obliged to him. The interest he took in my own career from the time I joined this institution, the personal attention he gave to my training and development, and the mature advice and guidance that was always unstintedly available to me I shall never forget. Young men on the threshold of their careers, animated with a willingness to work and desire to rise, can find no better superior officer than Mr. Surendra Nath Tagore.

There are other names which also deserve to be remembered on this occasion, some of whom alas have passed into the great beyond.

At the time of its commencement the brain of the Society was the late Mr. Ambica Charan Ukil, to whom we must pay a tribute for his fertile ideas and powers of organisation. Most of the economic and business principles which guide us to-day we received at the hands of this great man. No less a tribute is also due to Mr. Brojendra Kishore Roy Chowdhury who, it may be recalled, contributed a sum of rupees five lakhs to the National Council of Education. His was name to conjure with and he also worked as an officer of the Society so long as his services were required for its development. His contribution to the industrial regeneration of this province ranks next only to that of Maharaja Manindra Chandra Nandi who was also associated with this Society as President for some time. Our first president was Maharaja Suryakanta Acharji. These illustrious people freely gave of their influence and support in the interests of the Society and it owes them an undying debt of gratitude.

Coming to more recent times, the most illustrious name associated with the Society is that of the late Deshbandhu C. R. Das, who took an active interest in the affairs of the Society and whose influence carried its reputation to all parts of India. Of those who are living to-day, in addition to Mr. B. K. Roy Chowdhury, I must mention first and foremost Mr. Hirendra Nath Datta, whose keen business acumen rendered invaluable service in bad times and good. I must add also the name of Mr. Kamini Kumar Chanda, then the leading spirit in Silchar, whose influence proved a tower of strength to the Society in his province, and last but not least of Dr. Prau Krishna Acharji, whose tact and suavity as Chairman of the Board towards the close of this period has often proved to be of immense advantage to the Society from internal squabbles. All these names require to be written in letters of gold in the day of our reaping where they have sown.

As my remarks draw to a close, I must apologise for their length. I think it can truly be said that the Hindusthan Co-operative Insurance Society has amply fulfilled the hopes of its sponsors and the expectations of our people. The Hindusthan Co-operative is not an organisation unto itself but belongs very much to the people whose institution and servant it is. It is in every way a co-operative and national venture, of special pride to the people of Bengal. We think we have deserved well of the people, and with their continued confidence and support, of which we have an earnest in our ever expanding business, what height is there to which the Hindusthan Co-operative Insurance Society may not aspire to climb?

NOTES AND GLEANINGS OF THE MONTH

Late Mr. Rangaswami Iyengar

Mr. Rangaswami Iyengar's death rather early in life when he was fast making himself an indispensable guide in public affairs, is a heavy loss to public life and especially to the craft of journalism in India. A man unassuming in manners, unobtrusive in political outlook and scholarly in temperament, Mr. Rangaswami Iyengar was different from his tribe in more ways than one. He was deeply learned in Constitutional law and procedure and had an easy mastery over questions of public finance. These qualities made him an excellent legislator. He was practically the brain of the Swaraj Party and the invariable mentor of its patriarchal leader Pandit Matilal. He belonged to a distinguished family of journalists in South India—a family that had most to do in creating an educated public opinion in the Southern Presidency and to journalism he rendered his very best. For his paper *Hindu*, Rangaswami Iyengar created a niche all its own and if it is a power to-day in the counsels of government it is because he made it the model of honest journalism. His death therefore is a staggering blow to the nationalist ranks in India and none too developed journalism in this country. We convey our profound sympathy to the bereaved family and wish that his soul may rest in peace.

Late Sir Pravas

In the sudden death of Sir Pravas Mitter the Government of Bengal have lost an

administrator of outstanding ability and the country a man of wide sympathies and profound knowledge in financial and land-tenure question. Scion of an aristocratic family Sir Pravas has never known the dark mists of life and he employed his family position and natural talents for public work according to his own inner convictions. It is not for us to appraise his political work in all its bearing: suffice it for us to say that Sir Pravas had much to do in wresting an equitable financial settlement from unwilling hands at White Hall—a fact which he never took pains to boost up before the altar of pen and paper. Sir Pravas had a *flair* for details and figures relating to Revenue matters and in this line he had few equals to fill in the void created by his death. A fine gentleman of the old type, a born administrator, a man of exceptional forensic skill the death of Sir Pravas is surely a loss to the public life of Bengal which we so much deplore. We offer our warmest sympathy to the bereaved family and wish that his soul may rest in peace.

Late Mr. Madhu Sudan Das

India as a whole and Orissa especially has lost a fine specimen of old world veteran in the death of Mr. Madhusudan Das, lovably called the "Grand Old man" of Orissa. Mr. Das died full of the age for he was under four score years and odd, and throughout this long life his one aim was to raise Orissa to the polite Society of All-India politics. In that he succeeded abundantly. If Orissa to-day

is going to be an honoured entity in the coming scheme of things in India the centre credit goes to Madhusudan Das. He created Orissa and its public opinion. In all his political and Social work there was the note of his fine intellect and high idealism. As Minister in Behar he did good work for local self-government but before he could be far in his work, crucial matters of principle compelled him to resign his high office. But till the last moment of his life he did not allow snug corner of his home to get the better of his natural love for work. To the last he was in harness and died full of age and honours. We convey our profound sympathy to his family May his soul rest in peace.

Sir Kenneth Macdonald Retires

The retirement of Sir Kenneth Macdonald from the Imperial Bank of India of which he became the Managing Governor before retirement after 33 years' meritorious service removes from the Indian financial world a man of striking ability and fine personality. Sir Kenneth was universally popular among his Indian friends many of whom were present at the Ballard Pier to bid him farewell on his journey down Home on S.S. *Victoria*.

Sir Kenneth joined the Bank of Bengal, which was subsequently merged into the Imperial Bank, 33 years ago. He gained considerable experience as agent of different branches of the bank in that presidency and was appointed Deputy Secretary and Treasurer of the Calcutta head office. He later became Secretary and Treasurer at the same office.

In February 1929 Sir Kenneth was appointed one of the Managing Governors of the Bank. He was created a Knight on the occasion of the King's Birthday in June last year.

Motherland Youth Society

A meeting of Goan Youths was held at Bombay, in the spacious Hall of Maratha High School, under the Presidentship of Mr. S. S. Kavalekar, M.A., LL.B., from Ponda, Goa. After prolonged discussion a Society of friends of the motherland with designation of "Motherland Youth's Society" was formed, on the 19th November 1933, with a view to carry out political, social and moral work, in nationalist lines. Any further information about this Society may be obtained from its General Secretary, Great Western Building, Bake House Lane, Room No. 106, Fort, Bombay.

Late Mr. I. Alston

The death of Mr. I. Alston, the Resident Manager of the National Indian Insurance Co. Ltd. on the 25th January, 1934, removes from Calcutta Insurance world a striking and sociable personality. For an Englishman Mr. Alston did not attain to his normal longevity for he was only 61 at the time of his death. He leaves behind him a widow, two daughters and several grandsons, besides a large number of Indian friends, to mourn his loss. Our warmest sympathy to Mrs. Alston and the family in their bereavement.

A former Imperial Bank Chief Dead

Sir Norman Murray, a former Managing Governor of the Imperial Bank of India, has died at Hermanus, a small seaside resort in the Cape of Good Hope, where he was on a visit for his health.

Sir Norman retired in 1929 after 32 years in India. On his retirement he was the recipient of warmest congratulations and good wishes from leading officials including Sir George Schuster.

Protection of Export and Currency**Depreciation**

Depreciation of Currency as a means to protect exports has not unoften been taken resort to by statesmen and economists. The latest of such measure comes from Prague.

Impending depreciation of currency has been announced there by the Prime Minister in a broadcast speech, in order to protect exports. The amount has not been decided, but financial circles are of the opinion that the Krone will be depreciated 16½ per cent.

It is understood that the Government proposes to reduce the gold cover from the present 30 per cent to 25 per cent, thus reducing the exchange value of the Krone by about one-sixth.

The National Democrats, representing chiefly financial and industrial circles, oppose the Government's proposals and threaten to withdraw their representative, the Minister for Commerce, from the Cabinet.

Bombay Protest against Indo-Japanese Pact

The Committee of the Indian Merchants Chamber, in a communication to the Government of India launches a vigorous protest against the implication of the Pact and urges upon strictest vigilance regarding its enforcement. It states, *inter alia* :

As regards the Indo-Japanese Agreement the Committee emphasise the necessity for the strictest vigilance regarding the enforcement of the agreement and, therefore, strongly recommend that a special trade commissioner, preferably one possessing the confidence of the Indian commercial community, be appointed and be responsible to the Government of India. In view of a possible divergence of interests between India and Britain the Committee feel the task cannot be entrusted to the British consular or diplomatic agency in Japan if India's interests are to be fully protected.

"NOT FAVOURABLE TO INDIA"

As regards the agreement itself, they feel that the provisions are by no means so favourable to India as they are to Japan. They do not consider the quantity of Indian cotton now agreed to be purchased by Japan is a substantial consideration offered to this country. The real interests of the cotton grower would be served only by the adoption of a rigorous policy of national self-sufficiency regarding the utilization by the local industry of raw cotton produced in India.

Regarding preference to British goods the Committee state that no scheme of preference should ever be introduced which would reduce in the slightest degree the effective protection needed adequately to safeguard the textile industry. The Committee reiterate that the Mody-Les Pact is more objectionable than the Indo-Japanese Agreement since no consideration is shown to Indian raw cotton. *Associated Press.*

New Tariff Bill passes through

After two hours' discussion on Feb. 19 the Council of State passed without any change the Tariff Bill relating to miscellaneous goods. There was only one amendment, moved by Mr. S. C. Ghosh Maulick (West-Bengal—Non-Mahomedan), in the schedule regarding domestic earthen ware and china porcelain but that too was rejected.

The Shree Life Assurance Co. Ltd

A Branch office of the Shree Life Assurance Co. Ltd. of Bombay has been opened at 102, Clive Street from 1st January. The Chief Agency of Messrs. Gupta & Co. for Bengal, Behar, Assam & Orissa has since been terminated. Mr. J. P. Mehta, B.A., who was formerly a Branch Secretary of Asian Assurance Co. at Calcutta, has been appointed as the Branch Manager for its Bengal Branch. The Company has branches in the following chief cities of India :

Bengal Branch—102, Clive Street, Calcutta

Lahore Branch—Keshoram Buildings,
The Mall.
Karachi—New Cloth Market, Bunder Road.
Ahmedabad—Gandhi Road.
Surat—Jagirdar Buildings, Station Road.

Aryasthan Insurance Company Ltd.

2, Dalhousie Square, was 'enfeſt' on the occasion of the opening Ceremony of the Aryasthan Insurance Company Ltd., by Sir Nripendra Nath Sircar. The gathering was large and representative; all the leading Insurance Offices were represented by their Officers, and those present included the Hon'ble Sir B. P. Singh Roy, Sir Badridas Goenka, the Raja Bahadur of Nashipur, Sir Kedar Nath Das, Messrs. Surendra Nath Tagore, Nalini Ranjan Sarker, Profulla Nath Tagore, Abdul Ali, Hemendra Prasad Ghose, Reginald Frietsch, Kumar H. K. Mitra, Dr. and Mrs. M. L. Mitra, Mr. & Mrs. A. C. Sen, Miss. N. B. Shome, Sjt. Hemlata Devi, Kumar Krishna Kumar, Dr. S. C. Roy, Mr. Nazir, Mr. S. N. Das, P. C. Coomer, Kumar Rajendra Narayan Roy, D. J. Cohen, The Mayor of Calcutta, Messrs. P. K. Chakravarty, Ansal Home, A. C. Sen, Bidhu Bhusan Sen Gupta, Capt. N. N. Dutta, K. C. Roy Chowdhury, Prof. Benoy Kumar Sarker, Satyendra Nath Majumdar, Sushil Chandra Ghosh, Rai Bahadur Khagendra Nath Mitra, Kumar Saileshwar Sinha Roy, M. L. C., and G. S. Dutta, I. C. S., M. Moulik, S. B. Roy Choudhury, Abinash Bhattacharjee, B. N. Sen, H. L. Mukherjee, A. K. Sarkar and others.

The proceedings commenced with an opening song sung by the girls of Saroj Nalini Association after which Acharya Sir P. C. Ray, President of the Company welcomed the guests in a neat little speech.

Mr. S. N. Mallik on behalf of the

Directors gave an account of the various features of the Company, and requested Sir Nripendra to declare the Company open.

Appreciative remarks were made by Mr. C. C. Biswas, C. I. E., M. L. A., Khan Bahadur M. A. Momin, M. L. C. and Mr. K. M. Cook, Insurance Editor of the *Statesman*.

Hon'ble Mr. B. K. Basu thanked Sir Nripendra for performing the Opening Ceremony.

Messages of sympathy were received from Sir Edward Benthol, Colonel Craddock, Sheriff of Calcutta, Mrs. J. M. Sen Gupta, Mr. K. C. Desai, President Indian Life Offices Association and several others.

The guests were treated to light refreshments. Among the Directors Mr. S. Mallik, C. I. E., Rai Bahadur A. C. Banerji, Rai Bahadur N. N. Banerji and Miss. Jyotirmoyee Ganguli as well as the Manager Mr. S. C. Ray assisted by Mrs. Ray were all attention to the guests.

Insurance Offices & Quake Relief.

A meeting of the representatives of Indian Insurance Companies was held on Thursday, the 25th January, 1934 in the Committee Room of the Bengal National Chamber of Commerce to devise ways and means for granting relief to the sufferers at the terrible devastation wrought by the earthquake havoc in Behar. Mr. Nalini Ranjan Sarkar presided. A large number of gentlemen representing different Indian Insurance Companies were present. Among those present were noticed:—Messrs A. C. Sen, S. N. Banerjee, K. M. Naik, S. Nazir, Dr. Krishnamurthy, J. C. Ghosh Dastidar, J. C. Das, H. Chakravarty, M. M. Bhagat, S. N. Biswas, Dr. S. C. Roy, Mr. S. C. Roy, Mr. S. N. Das, Mr. S. B. Roy Choudhuri, Mr. M. Maulik, Mr. B. N. Sen, Mr. A. B. Ghosh and others.

The following resolutions were adopted at the Meeting :

1. This meeting of the representatives of Indian Insurance Companies in Calcutta do hereby express its sense of horror at the terrible devastation wrought by the earthquake havoc in Behar and conveys its profound sympathy to the distressed families.

(Proposed by Mr. S. C. Ray, Aryasthan and Seconded by Mr. Nazir, Oriental).

On the motion of Dr. S. C. Roy (New India), seconded by Mr. J. C. Das (Calcutta), the following two resolutions were adopted.

2. Resolved that this meeting of representatives of Insurance Offices in Calcutta appeals to Insurance Offices and Insurance Workers to contribute funds for giving relief to the distressed people and send contributions preferably to the Mayor's Fund or the Fund started by Sir P. C. Ray.

The meeting further requests the Insurance Offices to give adequate facilities to their officers and assistants to work as volunteers in the affected areas.

3. This meeting requests the different Insurance Companies of India to facilitate prompt settlement of claims to the victims of the disaster, to provide against the laps of policies of those who are sufferers in the calamity and to take such other steps as might be necessary.

A Committee consisting of the following gentlemen was formed to devise ways and means for giving effect to the above resolution :

1. Mr. N. Sarker (Hindusthan) President.
2. „ S. N. Banerji (National).
3. „ J. C. Das (Calcutta)
4. „ S. N. Biswas (Metropolitan).
5. „ Nazir (Oriental).
6. Dr. S. C. Roy (New India).

7. Mr. S. C. Ray (Aryasthan) Convenor.

A letter from the Unique Assurance Co. was read out wherein they stated that they had already contributed Rs. 500 to Mr. Rajendra Prosad's Fund.

Bhagya Lakshmi Insurance Ltd.

This Company was registered by the end of April 1931, as provident institution. Among the recently established companies, this is conspicuous by its careful and economic management and sympathetic treatment of the policyholders. It was started to provide the benefit of insurance for those who cannot afford to insure with life offices.

It enlisted 1091 members during the first year of its existence, but the total number was multiplied more than six times by the end of the second year and the figure was 6696 and to-day it is over 10500. Claims paid up by the Company exceed Rs. 50,000.

Such rapid progress was only possible for the untiring efforts of the Ex-Officio Director of the Company, Mr. K. C. Banerjee. Our thanks go to him, who, though old in age, is young in spirit, and enthusiasm.

The Company has already deposited the requisite amount with the Government and has begun regular life business, and this is no mean achievement for a Provident Institution of two years standing.

It is a matter of great satisfaction to note in this connection that the Company has accumulated a strong reserve fund and the Directors have declared a dividend of 25 p.c. (on the paid-up value) for the shares.

Mr. A. T. Banerjee, Managing Editor of (*Insurance Herald*) has joined this Company as Manager.

Mr. Banerjee is already very well known in insurance circles. He is an able organizer

and keen businessman. He is also the Managing Editor of the *Insurance Herald* which is doing good service in propagating insurance knowledge among our people.

We wish Mr. Banerjee all success, and hope that under his able guidance the Company will occupy one of the foremost places in near future.

Bombay Mutual Workers Form an Association

The agents of the Bombay Mutual Life Assurance Society, Ltd, have formed an association, which is open to all the agents of the said society working under Delhi Chief Agency.

The association has been formed for the general advancement of insurance business, and for the following objects :

(a) To create harmonious relations among all the agents of the Bombay Mutual Life Assurance Society, Ltd.

(b) To Promote co-operation and exchange of ideas between the members of the association.

(c) To provide an insurance institution for the benefit of all the members of the association.

The following office bearers have been elected :—

President. P. Mitra.

Hon. Secretary. K. L. Sharma.

Insurance Companies and Behar Relief

Insurance Companies in India have donated liberally towards Behar Relief. Several Companies like the Calcutta Insurance and Andhra (Calcutta Office) have started funds of their own besides many others who have offered several privileges to the policy-holders affected by the quake-tide. The following is the list of largest donations from Insurance Companies.

	Rs.
Oriental	10,000
Lakshmi	2,000
New India	1,000
Empire	2,000
Unique	500
Bombay Mutual	1,000
Dastidar and Sons (Chief Agents, Bombay Mutual)	500
General	1,000
Staff of General	301
India Provident	200

The Commerce College "At Home"

A social gathering was held on Friday, 23rd instant at 5-30 P.M., at the above College premises at 13, Mirzapur Street, to meet the examinees for the ensuing A. I. A. and A. C. I. I. Examinations from the College. This College is sending 12 students for the A. C. I. I. examination and 3 for the A. I. A. examination this year. It is to be noted in this connection that this institution is an up-to-date training centre for students for recognised degrees and diplomas in Insurance (A. I. A. and A. C. I. I.) Banking (A. I. B.), Accountancy and Auditing and Secretaryship besides coaching in Shorthand, Type-writing, Journalism and other Railway and Government service examination. Messrs. I. B. Sen and S. C. Roy are the Hony. Secretaries of the Institution.

New Business

The Andhra Insurance Co., has completed a business worth Rs. 19,42,000 in the year 1933, thereby recording an increase of about Rs. 5 lacs over the business of the previous year. We are glad to learn that more than 40% of the total business was received from Messrs. Roy and Co., Chief agents for Bengal, Behar, Orissa and Assam.

The Third Session of the Field Worker's Conference

A General meeting of the members of the Reception Committee for the Third Session of

the Field-worker's conference was held at No. 2, Royal Exchange Place, Calcutta, on Friday, the 16th February, 1934, when the following gentlemen were duly elected as :

President : Mr. S. N. Tagore.

Chairman of the Reception Committee : Mr. S. Bagchi (India Equitable)

General Secretary : Mr. J. N. Ghosh (New India).

Organising Secretary : Mr. K. K. Banerjee (Oriental)

Treasurer : Mr. S. N. Roy Chowdhury (Bombay Mutual)

Joint Assistant Secretaries : Mr. H. K. Chowdhury (Bombay Mutual) ; Mr. H. C. Mitra (Metropolitan) ; Mr. V. J. Kothari (New India).

Joint Publicity Officers : Mr. Asoke Chatterjee (New India) ; Mr. T. N. Chakravarty (Metropolitan).

Captain of the Volunteer Corps : Mr. A. K. Mukherjee (India Equitable).

WORKING COMMITTEE

A Working Committee was formed consisting of 22 members (with powers to co-opt 3 members) of whom the first five were nominated by the Agents' Committee of the Indian Insurance Institute and the others were elected in the General Meeting :

1. Mr. H. C. Naug (Industrial and Prudential) ; 2. Mr. B. R. Bose (Unique) ; 3. Mr. A. K. Mukherjee (India Equitable) ; 4. Mr. M. N. Bose (Bombay Life) ; 5. Mr. P. K. Bose (National) ; 6. Mr. S. Bagchi (India Equitable) ; 7. Mr. J. N. Ghosh (New India) ; 8. Mr. K. K. Banerjee (Oriental) ; 9. Mr. S. N. Roy Chowdhury (Bombay Mutual) ; 10. Mr. H. K. Chowdhury (Bombay Mutual) ; 11. Mr. H. C. Mitra (Metropolitan) ; 12. Mr. V. J. Kothari (New India) ; 13. Mr. Asoke Chatterjee (New India) ; 14. Mr. T. N. Chakravarty (Metropolitan) ; 15. Mr. M. H. Rahaman

(Bombay Mutual) ; 16. Mr. A. K. Ganguli (Industrial and Prudential) ; 17. Mr. B. Roy Chowdhury (Bombay Life) ; 18. Mr. N. Pramanic (Hindusthan) ; 19. Mr. N. K. Naug (Calcutta Insurance) ; 20. Mr. N. B. Sen Sharma (Modern India) ; 21. Mr. S. C. Chakravarty (United India) ; 22. H. P. Burman (New India)

Personal Pars

Mr. G. V. Bewoor has been appointed Director-General of Posts and Telegraphs.

Mr. W. Christie, Deputy Secretary, Finance Department, Government of India, going on six months' leave early in April, Mr. C. K. Rhodes, Finance Secretary to the Government of Assam, will come to New Delhi to take his place.

Mr. C. C. Ghosh, Senior Professor of Dyeing, Bleaching and Printing, Government Weaving Institute, Serampore, died last week after a prolonged illness.

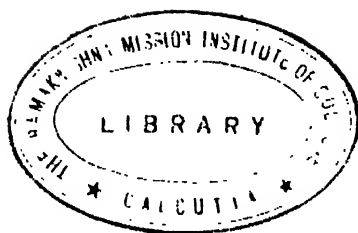
Mr. Ghosh officiated as Principal of the Institute for about 18 months.

Mr. A. N. Roy Chowdhury, B. A., our Bombay Representative, has stood first in the final test examination for the A. C. I. I. Examination at the Davar's College of Commerce, Bombay.

Mr. Cardmaster, Life Manager of New India Life and Pandit Santanam, Managing Director of Lakshmi Insurance of Lahore are on a visit to Bengal. Mr. Cardmaster has just left for Assam and East Bengal districts with Dr. S. C. Roy.

Mr. Amiya Kumar Das Gupta, B. Sc., has joined the Great Asoka Insurance Co. Ltd., of Patna as Superintendent of Agents in its Calcutta Office. We wish him all success.

Under the distinguished patronage of the Mayor of Calcutta, Miss Gaby Hill and Mr. Mani Bardhan gave a performance of their oriental dance in Rangmahal in aid of the Earthquake Relief Fund and the Calcutta College of Insurance.







16 JUL 1958



